



SELECTIVE[®]

POLICY DOCUMENT

S 161208212

INSURED'S COPY

POLICYHOLDER DISCLOSURE NOTICE OFFER OF TERRORISM INSURANCE COVERAGE AND REJECTION FORM

Offer of Coverage:

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism", as defined in Section 102(1) of the Act. The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be "an act of terrorism"; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You may accept or reject insurance coverage for losses resulting from certified "acts of terrorism".

- If you accept this offer of coverage simply pay the amount shown below. You do not need to do anything else.
- If you would like to reject this coverage, please see the section of this form entitled Rejection of Terrorism Insurance Coverage and follow the instructions. Even if you reject this coverage, state law prohibits us from excluding fire losses resulting from an "act of terrorism". Therefore, the terrorism exclusion we place on your policy will contain an exception for fire losses resulting from an "act of terrorism". The additional premium for such fire losses resulting from an "act of terrorism" is shown below.

Disclosure of Premium:

The portion of your annual premium that is attributable to coverage for "acts of terrorism" is \$92.00 and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

The premium for terrorism (fire only) coverage is \$23.00 and is due regardless of whether you reject coverage for certified "acts of terrorism".

Please be aware that even if you purchase coverage for losses resulting from certified "acts of terrorism", your policy will still contain other policy terms, conditions, limitations and exclusions that may impact whether coverage is available in the event of a loss resulting from a certified "act of terrorism".

Federal Participation in Payment of Terrorism Losses:

You should know that where coverage is provided by this policy for losses resulting from certified "acts of terrorism", such losses may be partially reimbursed by the United States Government under a formula established by federal law. Under the formula, the United States Government generally reimburses the following percentages of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage:

- a. 85% through 2015;
- b. 84% beginning on January 1, 2016;
- c. 83% beginning on January 1, 2017;
- d. 82% beginning on January 1, 2018;
- e. 81% beginning on January 1, 2019;
- f. and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses:

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from certified "acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Rejection of Terrorism Insurance Coverage:

You may reject this offer of coverage by checking the box, filling in the information below, signing and returning this form to your agent. If you choose to reject this offer of coverage, we will add an exclusionary endorsement to your policy to eliminate coverage for losses resulting from certified "acts of terrorism".

Rejection of Coverage	
<input style="width: 40px; height: 30px;" type="checkbox"/>	I HAVE READ THIS FORM IN ITS ENTIRETY AND DO NOT WANT TO PURCHASE COVERAGE FOR CERTIFIED "ACTS OF TERRORISM". I UNDERSTAND THAT IF I SIGN THIS FORM THIS POLICY WILL EXCLUDE COVERAGE FOR LOSSES RESULTING FROM CERTIFIED "ACTS OF TERRORISM".
_____ Policyholder/Applicant's Signature	_____ Insurance Company
_____ Print Name	_____ Policy or Quote Number
_____ Title	
_____ Date	

IMPORTANT NOTICE TO POLICYHOLDERS

COMMERCIAL UMBRELLA LIABILITY COVERAGE

MULTISTATE REVISION OF ENDORSEMENTS

This is a summary of the major changes in your Commercial Umbrella Liability coverages resulting from the introduction of a new mandatory endorsement and changes to existing endorsements. The areas that broaden or reduce coverage and other changes are highlighted below. This Notice does not reference every editorial change made.

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

- I. A new mandatory endorsement **CXL 462** Commercial Umbrella Liability 2015 Changes is added to your policy. This endorsement revises your coverage as follows:

A. INCREASES IN COVERAGE

Paragraph **B.13.** The Liquor Liability Exclusion is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.

B. OTHER CHANGES

1. Paragraph **A.1.** The Aircraft or Watercraft exclusion was revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others.
2. Paragraph **B.13.** The Liquor Liability Exclusion is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
3. Paragraph **C.** Personal and Advertising Injury Liability Exclusions **14.b.** Material Published With Knowledge Of Falsity and **14.c.** Material Published Prior To Policy Period and are revised to reference "in any manner", with respect to oral or written publication, for consistency with the definition of personal and advertising injury.
4. Paragraph **D.** The Professional Services Exclusion **16.** is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others. In addition, changes are made in the description of services in Subparagraphs **b.**, **c.**, **e.**, **f.**, and **i.**
5. Paragraph **E.** Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability is added:
 - Paragraph **E.(1)** excludes damages from bodily injury, property damage, and personal and advertising injury arising out of access to or disclosure of confidential or personal information. With respect to liability for bodily injury and property damage, this is a reinforcement of coverage. With respect to liability for personal and advertising Injury, we do not intend for this to be a reduction in coverage. However, to the extent that, as a matter of law, any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

If your expiring policy included **IL 89 93** Exclusion - Access Or Disclosure Of Confidential Or Personal Information, these provisions are in that endorsement already. Note that your renewal policy does not include **IL 89 93.**
 - Paragraph **E.(2)** excludes Electronic Data to reinforce that property damage liability for electronic data is not intended to be provided under this policy.

6. Paragraph **F**. The Recording And Distribution Of Material Or Information In Violation Of Law exclusion in this Paragraph replaces **CXL 413** Exclusion - Violation Of Statutes That Govern E-mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information. The revised exclusion contains language that elaborates on the intent of the Distribution Of Material In Violation Of Statutes Exclusion to reflect that, in addition to the TCPA and CAN-SPAM Act of 2003, the exclusion will more explicitly exclude liability coverage for bodily injury, property damage or personal and advertising injury arising out of any action or omission that violates, or is alleged to violate, the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA) and any other similar federal, state or local statute, ordinance or regulation concerning disposal and dissemination of personal information.

II. Other Endorsement Changes

A. INCREASE IN COVERAGE

1. An exception is added to the Utilities Endorsement - Failure To Supply Exclusion **CXL 77** when the utility failure results from sudden or accidental injury to tangible property owned or used by the insured.
2. **CXL 410** Errors And Omissions - Exclusion. If your version of this endorsement included the service "instructing", it is deleted on the new version.

B. REDUCTIONS OF COVERAGE

Exclusion - Designated Professional Services **CXL 32** is newly added to policies insuring the operations of Solar Energy Contractors with the following professional services excluded: Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications relating to the installation, service or repair of solar panels and related equipment. To the extent these services are provided by the insured this may result in a reduction in coverage.

C. OTHER CHANGES

1. Professional Services Endorsements

The following endorsements are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured:

- CXL 24** Camps Or Campground Exclusion
- CXL 26** Data Processors, Computer Consultants Or Programmers Professional Liability Exclusion
- CXL 32** Designated Professional Services Exclusion
- CXL 33** Detective, Patrol Or Security Companies Exclusion
- CXL 36** Engineers, Architects Or Surveyors Professional Liability Exclusion
- CXL 39** Errors And Omissions - Specific Operation(s) Exclusion
- CXL 44** Incidental Medical Malpractice And Professional Liability Exclusion
- CXL 46** Inspection, Appraisal And Survey Companies Exclusion
- CXL 49** Lawyers' Professional Liability Exclusion
- CXL 54** Morticians' Liability Exclusion
- CXL 60** Products And Professional Services (Optical And Hearing Aid Establishments) Exclusion
- CXL 66** Real Estate Agents And Brokers Errors & Omissions Exclusion
- CXL 73** Testing Or Consulting Errors And Omissions Exclusion
- CXL 75** Travel Agency Errors And Omissions Exclusion
- CXL 87** Insurance And Related Operations Exclusion
- CXL 155** Financial Services - Exclusion
- CXL 403** Exclusion - Internet Service Providers And Internet Access Providers Errors and Omissions
- CXL 404** Professional Liability Exclusion - Web-Site Designers
- CXL 408** Sun Tanning Services Exclusion
- CXL 410** Errors And Omissions - Exclusion

The same wording is added to the applicable professional exclusion clauses in the following endorsements:

- CXL 160** Municipality Amendatory Endorsement
- CXL 172** Contractors Amendatory Endorsement
- CXL 178** School Amendatory Endorsement
- CXL 184** School Amendatory Endorsement (New York)
- CXL 368** New York Municipality Amendatory Endorsement

2. **CXL 50** Liquor Liability Exclusion is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

3. Editorial changes to increase clarity and understanding are made to the following forms:

- CXL 26** Data Processors, Computer Consultants Or Programmers Professional Liability Exclusion
- CXL 32** Designated Professional Services Exclusion
- CXL 33** Detective, Patrol Or Security Companies Exclusion
- CXL 50** Liquor Liability Exclusion
- CXL 33** Detective, Patrol Or Security Companies Exclusion
- CXL 44** Incidental Medical Malpractice And Professional Liability Exclusion
- CXL 60** Products And Professional Services (Optical And Hearing Aid Establishments) Exclusion
- CXL 73** Testing Or Consulting Errors And Omissions Exclusion
- CXL 75** Travel Agency Errors And Omissions Exclusion
- CXL 87** Insurance And Related Operations Exclusion
- CXL 160** Municipality Amendatory Endorsement
- CXL 172** Contractors Amendatory Endorsement
- CXL 178** School Amendatory Endorsement
- CXL 184** School Amendatory Endorsement (New York)
- CXL 368** New York Municipality Amendatory Endorsement
- CXL 408** Sun Tanning Services Exclusion
- CXL 404** Professional Liability Exclusion - Web-Site Designers

IMPORTANT NOTICE OF COVERAGE REDUCTIONS

Form IL 89 48 01 00 - EXCLUSION - LEAD HAZARD has been added to the policy.

It is applicable to:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
GARAGE COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF TRANSPORTATION

Form **IL 89 48 01 00** clarifies policy intent to specifically exclude coverage for any injuries or damage arising out of:

- the ingestion, inhalation, absorption or presence of lead in any form; and
- any loss, cost or expense arising out of any orders by or on behalf of any governmental authority to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead in any form.

Please read form **IL 89 48 01 00** carefully and discuss any questions with your agent.

Facts

Regarding

Premium

Audits

To Our Policyholder:

Your policy has been issued with an estimated premium. At the expiration of the policy, either a company representative (Premium Auditor) will contact you or you will receive a written request for information. In either case, the information you provide will be used to determine the final premium under the policy. **Please note that only those policies containing one or more class codes that are rated on an auditable premium basis (such as payroll, receipts/sales, total cost or admissions), are subject to a premium audit.**

Insurance Costs can be minimized by proper record keeping. Frequently exposures can be assigned to lower rated classifications provided this information is obtainable using **your records**. During the final audit, the Premium Auditor will work with you towards this goal of helping you to minimize your insurance costs.

For Businesses Other Than Contractors:

1. The basis of premium used to determine your policy premium may be payroll, receipts or sales, total cost or admissions. These are defined as follows:

A. Payroll:

The total remuneration for services rendered by an employee includes (a) lodging, (b) bonuses, (c) commissions, (d) vacation, holiday, & sick days, (e) standard overtime. Under the General Liability Coverage, payroll does not include (a) payroll of clerical employees (b) salesmen who are away from the premises (c) drivers. Remuneration *excludes* tips.

B. Receipts/Sales:

The gross amount of money charged for goods or products sold, operations performed, rentals, and dues or fees.

This flier provides only a general overview of premium audit procedures. It is not intended to describe specific coverages afforded by any insurance policy.

We recommend that you examine, in detail, any policy offered to you.

For more information, contact your local Selective agent.

C. Total cost

Total cost of all work let or sublet in connection with each specific project including (a) cost of all labor materials & equipment (b) all fees, bonuses & commissions.

D. Admissions:

The total number of persons, other than employees, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

2. In the event commissions or monies are paid to persons you consider to be independent contractors, i.e., Real Estate Salesmen, Insurance Salesmen, Restaurant and/or Nite Club Entertainers, Taxi-Cab operators and others in this category, **please inform your agent immediately.**
3. If you are an Executive Officer and covered under the policy, there may be a payroll or salary limitation. There also is a minimum amount to be charged should you not draw a salary, or draw less than this minimum.

Considerations For Contractors

1. Most Workers~ Compensation Laws provide that the General or Principal Contractor shall be responsible for the workers~ compensation insurance to employees of sub-contractors, except for any subcontractors who have insured their compensation obligation and have furnished to the contractor satisfactory evidence of such insurance. Satisfactory evidence is a {Certificate of Insurance} with dates corresponding to the time worked for the contractor. These should be retained to show the Premium Auditor.
2. The manual rules permit division of payroll for each separate and distinct operation provided separate records of payroll are maintained and the division is not contrary to classification restrictions.

Note: This rule is very important since those operations which can be classified using this rule, can be used only when separate records of payroll are maintained. Without the proper record keeping, the highest rated classification applying to the job will be used.

3. General Liability-Divers~ payroll is to be excluded in computing premiums for this coverage. For the purposes of this rule, Mobile Equipment Operators are not considered in this category, i.e., their payroll is included and assigned to the classification in which they are engaged.
4. Products and Completed Operations Coverage under General Liability-Mechanical Contractors, i.e., Air Conditioning, Heating, Plumbing and Refrigeration, can minimize their insurance premium costs by keeping separate records on the outright sale and/or cost of units and equipment (for plumbing-appliances and fixtures). Again, one can see the importance of record keeping

IMPORTANT NOTICE TO POLICYHOLDERS

YEAR 2000 PROBLEM AND YOUR INSURANCE COVERAGE POLICYHOLDER NOTIFICATION PH 21 62 09 98

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THIS NOTICE HAS BEEN PREPARED IN CONJUNCTION WITH THE IMPLEMENTATION OF CHANGES TO YOUR POLICY. THIS NOTICE PROVIDES INFORMATION CONCERNING YOUR INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED BY "POLLUTION INCIDENTS" AS DEFINED IN YOUR POLICY RESULTING FROM COMPUTER-RELATED OR OTHER ELECTRONIC PRODUCTS FAILURE TO RECOGNIZE THE CHANGE TO THE YEAR 2000.

PLEASE READ THIS NOTICE CAREFULLY.

When the year 2000 arrives, it is anticipated that many computer systems will fail to work. This is because they have been programmed to read only the last two digits of dates. The first two digits are assumed to be 19. Hence, today, a computer "sees" 97, and assumes that the year is 1997. When the year 2000 arrives, it will only read the 00, and then may assume that the year is 1900. For example, if an individual was born in 1970, the computer would calculate their age in 1999 as:

$$99-70=29$$

In the year 2000, the age would be calculated as

$$00-70=-70$$

This problem is critical because programmers who are capable of fixing this problem are becoming scarce and the problem has to be corrected before the year 2000. Uncorrected, resulting losses may range from lost or corrupted data to damaged inventory. For example, some computers that monitor perishable inventory may destroy inventory as being too old or spoiled when in actuality, the inventory has not expired. The owner of such destroyed property may take legal action against the company that designed or programmed their computerized inventory system. There could be bodily injury claims as well. Computerized medical equipment may read dates incorrectly and malfunction causing injury to patients who rely on them. Computer systems may cause pharmacies to refuse to refill prescriptions because they're read as expired.

Your individual business may be affected by the change to the year 2000. Each computer, computer-related system or other electronic product may experience problems, and the size, number and kind of problems can vary greatly. These problems could range from the failure of a mainframe computer system to function to a sprinkler system that automatically goes off at the change to the year 2000. Since each situation is unique, it is not possible to predict the possible computer-related or other electronic products problems that you may experience due to the change to the year 2000. It is important that you examine and evaluate your current situation on an individual basis. In many situations it may be necessary for a professional computer consultant to analyze your computers, computer-related systems and other electronic products for year 2000 compliance. It may be prudent to consult such a professional.

Endorsement **PH 21 62 09 98 Exclusion — Year 2000 Computer-Related and Other Electronic Problems — With Exception For Bodily Injury On Your Premises** is attached to your policy. Because this endorsement is attached to your policy, you do not have coverage for liability arising out of any injury or damage related to any computer or other electronic equipment's inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond, with the exception of coverage for bodily injury which occurs on any premises owned by or rented to the named insured.

Other insurance options may be available concerning the change to the year 2000 and beyond. Consult your agent or insurance company for more information concerning these options.

IMPORTANT NOTICE

Asbestos Exclusion

This policy contains an exclusion which eliminates all coverage for any injuries or damages caused by or relating to asbestos (including asbestos fibers or asbestos products).

This exclusion applies to various insurance coverage parts which may form a part of your policy; refer to your policy for the application of the exclusion form titled: "**ASBESTOS EXCLUSION.**"

NOTE: This notice does not provide or modify the coverage of this policy. This notice is for informational purposes only. Refer to your policy for the precise details of this coverage.

IMPORTANT NOTICE TO POLICYHOLDERS

NORTH CAROLINA FLOOD INSURANCE NOTICE

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The North Carolina Department of Insurance has requested the North Carolina Insurance Underwriting Association, the North Carolina Joint Underwriting Association, and all property and casualty companies to advise their policyholders that the Commercial Property Policy or MerchantsPro Businessowners Policy does not provide coverage for floods. You will not have coverage for property damage from floods unless you take steps to purchase a separate policy of flood insurance.

This Notice does not expand or increase coverage in any Commercial Property or MerchantsPro Businessowners policy or endorsement. That policy and accompanying endorsements remain subject to all exclusions, limitations and conditions.

If you would like more information about obtaining flood insurance, please contact the Selective Insurance Flood Department at (877)348-0552.

IMPORTANT NOTICE

FUNGI OR BACTERIA EXCLUSION

This notice has been prepared in conjunction with the implementation of changes to your policy. It contains a brief synopsis of any significant restrictions and clarifications of coverage that were made in each policy form and endorsement.

Please read your policy, and the endorsements attached to your policy, carefully.

CG 21 67 — Fungi or Bacteria Exclusion (Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- coverage is restricted to exclude bodily injury or property damage arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury or damage.
- coverage is clarified to exclude personal and advertising injury arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury.
- coverage is restricted to exclude clean-up costs associated with fungi or bacteria.

The exclusion does not apply to fungi or bacteria intended for consumption, such as mushrooms.

IMPORTANT NOTICE

FUNGI OR BACTERIA EXCLUSION

This notice has been prepared in conjunction with the implementation of changes to your policy. It contains a brief synopsis of any significant restrictions and clarifications of coverage that were made in each policy form and endorsement.

Please read your policy, and the endorsements attached to your policy, carefully.

CXL 383 07 02 — Fungi or Bacteria Exclusion (Commercial Umbrella Liability Coverage)

When this endorsement is attached to your policy:

- coverage is clarified to exclude bodily injury or property damage arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury or damage.
- coverage is clarified to exclude clean-up costs associated with fungi or bacteria.

The exclusion does not apply to fungi or bacteria intended for consumption, such as mushrooms.

IMPORTANT NOTICE REGARDING AGENT COMPENSATION

We sell our insurance products and services through appointed independent insurance agencies and agents ("Agent" or "Agents"). Because Agents also generally represent several of our competitors, our primary marketing strategy is to:

- Develop close relationships with each Agent by (i) soliciting their feedback on products and services, (ii) advising them concerning company developments, and (iii) investing significant time with them professionally and socially; and
- Develop with each Agent, and then carefully monitor, annual goals regarding (i) types and mix of risks placed with us, (ii) amounts of premium or numbers of policies placed with us, (iii) customer service levels, and (iv) profitability of business placed with us.

We pay Agents commissions and other consideration for business placed with us (and we do not authorize our Agents to receive other monies for our insurance). We seek to compensate our Agents fairly and in a way consistent with market practices.

Our Agent compensation programs may include one or more of the following depending on the Agent's overall business relationship with us:

- **Commission Payments.** We pay commission based on a percentage of the premium the policyholder pays. The amount of commission varies depending on policy type, state location of risk, and other factors.
- **Additional Commission Payments.** We may pay additional and varying percentages of premium for attainment of certain goals we set with the Agent, including:
 - **Profitability**, which we determine by comparing losses and expenses to premium;
 - **Volume**, which is the amount of premium written with us;
 - **Growth and Retention**, which we measure by comparing premium volume or number of policies for overall or specific types of policies; or
 - **Annual Plan Performance**, which we measure according to performance standards determined by us and the Agent.

In certain cases, an Agent may put additional commissions at risk and become obligated to pay us amounts if certain goals are not met.

- **Expense Reimbursement.** We may reimburse certain marketing and other expenses incurred for placing business with us.
- **Entertainment and Other Things of Value.** We may entertain or provide other things of value, including travel and gratuities, to Agents who we believe provide exceptional value to our policyholders and shareholders.
- **Business Production Incentive Programs.** We may provide Agents or their employees opportunities to receive additional compensation (cash or contest prizes) for certain activities or tasks, such as placing specific types of policies with us or inputting data through one of our technology systems.

- **Loss Control Agreements.** We may pay Agents a flat fee or a percentage of commission for safety and loss control surveys, inspections, accident or claim investigations.
- **Agent Stock Purchase Plan.** Certain of our Agents participate in a stock purchase plan that allows those Agents to purchase common stock in Selective Insurance Group, Inc. at a 10% discount to market and requires those agents to hold the stock for at least one year before they can transfer it.

As supporters of the independent insurance agency distribution system, we may provide Agents from time-to-time with tools and programs designed to preserve and strengthen the independent agency distribution system, including assistance with producer recruitment and/or training, loans, or loan guarantees. These tools and programs, which may be experimental, are provided to assist our Agents in the perpetuation of robust independent insurance agencies and are not conditioned on the imposition of extraordinary current or future production conditions.

We also distribute our insurance products to a limited extent through select insurance brokers which we compensate with some of the same compensation tools we use for Agents. If you have engaged a broker to place insurance with us, please ask the broker if any of the above described compensation arrangements are in effect with us.

Please direct questions regarding specific compensation to your Agent.

IMPORTANT NOTICE TO POLICYHOLDERS EQUIPMENT BREAKDOWN COVERAGE JURISDICTIONAL INSPECTION SERVICE

This notice is an advisory notice and is not a part of your policy. For complete information on all coverages, terms, conditions and exclusions, please review your policy. If there is any conflict between your policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

This Selective Insurance policy includes equipment breakdown coverage. The Hartford Steam Boiler Inspection and Insurance Company (HSB) is an equipment specialist working with Selective Insurance to provide equipment related inspection services. Our combined goal is to provide the highest quality insurance program and services that will help you protect your equipment and your business.

There may be laws or regulations in your city, county or state that require periodic boiler inspections. The scope of the laws may also include air conditioning systems, refrigeration systems and pressure vessels. Most Jurisdictional Authorities charge a fee for both the inspection and the certificate. HSB will perform the inspection for you as an integral part of your insurance program. The certificate fee or any fine levied by the Jurisdiction for not complying with the laws or regulations, is not a part of this service.

If you answer yes to any of the following questions, you may require a certificate inspection. Contact the HSB Inspection Hotline and the customer service representative will assist you.

- Does my location contain any heating or process boilers?
- Does my location have any large hot water heaters (200,000+ btu/hr)?
- Does my location contain any pressure vessels (air tanks, hot water storage tanks)?
- Does my location have a central air conditioning system?

HSB INSPECTION HOTLINE

Telephone: 1-800-333-4677

Fax: 1-484-582-1811

E-mail: NSCINSP_HOTLINE@hsb.com

Please provide the following information:

- Policy Number
- Insured Name
- Location Name and Address
- Contact Name and Phone Number

IMPORTANT NOTICE TO POLICYHOLDERS

NORTH CAROLINA FLOOD AND EARTH MOVEMENT LOSSES NOT COVERED

COMMERCIAL PROPERTY MERCHANTSPRO COMMERCIAL OUTPUT PROGRAM

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

THE FOLLOWING WARNING IS PROVIDED IN ACCORDANCE WITH NORTH CAROLINA LAW.

WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM FLOODS, EARTHQUAKES, MUDSLIDES, MUDFLOWS, OR LANDSLIDES. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED.

IMPORTANT NOTICE TO POLICYHOLDERS NORTH CAROLINA UNINSURED/UNDERINSURED MOTORISTS COVERAGE NOTICE

The Laws of the State of North Carolina require that we provide you with notice containing the following information:

You are required to purchase Uninsured Motorist Bodily Injury Coverage, Uninsured Motorist Property Damage Coverage and, in some cases, Underinsured Motorist Bodily Injury Coverage. This insurance protects you and your family against injuries and property damage caused by the negligence of other drivers who may have limited or only minimum coverage or even no liability insurance. You may purchase Uninsured Motorist Bodily Injury Coverage and, if applicable, Underinsured Motorist Coverage with limits up to one million dollars (\$1,000,000) per person and one million dollars (\$1,000,000) per accident or at such lesser limits you choose. You cannot purchase coverage for less than the minimum limits for the bodily injury and property damage coverage that are required for your own vehicle. If you do not choose a greater or lesser limit for Uninsured Motorist Bodily Injury Coverage, a lesser limit for Uninsured Motorist Property Damage Coverage, and/or a greater or lesser limit for Underinsured Motorist Bodily Injury Coverage, then the limits for the Uninsured Motorist Bodily Injury Coverage and, if applicable, the Underinsured Motorist Bodily Injury Coverage will be the same as the highest limits for bodily injury liability coverage for any one of your own vehicles insured under the policy and the limits for the Uninsured Motorist Property Damage Coverage will be the same as the highest limits for Property Damage Liability Coverage for any one of your own vehicles insured under the policy. If you wish to purchase Uninsured Motorist and, if applicable, Underinsured Motorist Coverage at different limits than the limits for your own vehicle insured under the policy, then you should contact your insurance company or agent to discuss your options for obtaining different coverage limits. You should also read your entire policy to understand under Uninsured and Underinsured Motorist Coverages.

The purpose of this notice is informational. This notice does not change or replace the wording in your policy.

IMPORTANT NOTICE TO POLICYHOLDERS

COMMERCIAL PROPERTY INSURANCE TO VALUE

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISION OF THE POLICY SHALL PREVAIL.

REGARDING BUILDING INSURANCE TO VALUE

The replacement cost for building(s) insured on this policy is an estimated replacement cost based on general information about your building(s). It is developed from models that use estimated cost of construction materials and estimated labor rates for like buildings in the area. The actual cost to replace your building(s) may be significantly different. Selective Insurance does not guarantee that this figure will represent the actual cost to replace your building(s). You are responsible for selecting the appropriate amount of coverage and you may obtain your own insurance replacement cost appraisal. Additional information you obtain on the replacement cost of your building(s) can further assist you in making a more informed decision about the true value of your building(s). Selective Insurance will consider and accept, if reasonable, your appraisal. Any higher coverage amounts selected will result in higher premiums. You may contact your insurance agent to assist you in obtaining your own insurance replacement cost appraisal or contact one of the numerous companies providing insurance replacement cost appraisals for commercial buildings.

REGARDING BUSINESS PERSONAL PROPERTY INSURANCE TO VALUE

The replacement cost for your Business Personal Property insured on this policy is based on values provided by you. You are responsible for selecting the appropriate amount of coverage to ensure adequate replacement cost values.

IMPORTANT NOTICE TO POLICYHOLDERS

THIS NOTICE DESCRIBES CHANGES IN YOUR INSURANCE POLICY. THIS NOTICE IS NOT PART OF YOUR POLICY. FOR COMPLETE INFORMATION ON ALL COVERAGES, TERMS, CONDITIONS, AND EXCLUSIONS, PLEASE REVIEW YOUR POLICY AND ITS COVERAGE SUMMARY. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Your equipment breakdown (boiler and machinery) coverage has been changed to our new Equipment Breakdown Form. Please note the following differences between the old form and the new updated form:

BROADENINGS

- **Service Interruption** — The requirement that there be a contractual agreement between you and your supplier has been removed. Equipment that is owned by a landlord's utility has also been added. A waiting period no longer applies.
- **Animals** — Equipment Breakdown now covers loss to animals caused by a breakdown if the animals are killed or their destruction is necessary. The animals must either be owned by others and boarded by you or owned by you and held as "stock" and located inside the insured building. The policy provides coverage up to \$250,000 unless otherwise shown.

OTHER CHANGES

- **Service Interruption** — Although not excluded equipment previously, overhead transmission lines are specifically mentioned as equipment that would be covered.

Previously, a 24 hour qualifying waiting period applied to service interruption and then any loss was subject to the applicable deductible. That has been replaced with a minimum 24 hour deductible for business income loss that results from a service interruption. Your deductible may be the same as it was on the previous Equipment Breakdown Coverage Form, or it may have gone up or down.

- **"Covered Equipment"** — now excludes "buried vessels or piping" vs. "underground vessels or piping".
- Equipment Breakdown now specifically excludes misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. Although not previously excluded, the requirement of an "accident" as defined existed; therefore, the intent has not changed.

Insurance is provided by the Company designated on the Declarations Page of this policy. The addresses of all Selective Insurance Companies are shown below:

Selective Insurance Company of America
40 Wantage Avenue
Branchville, NJ 07890

Selective Way Insurance Company
40 Wantage Avenue
Branchville, NJ 07890

Selective Insurance Company of South Carolina
11711 North Meridian Street, Suite 800
Carmel, IN 46032

Selective Insurance Company of New York
300 Olympic Towers
300 Pearl Street
Buffalo, NY 14202

Selective Insurance Company of the Southeast
11711 North Meridian Street, Suite 800
Carmel, IN 46032

Selective Insurance Company of New England
40 Wantage Avenue
Branchville, NJ 07890

Administrative Offices of all Selective Insurance Companies are located at:
40 Wantage Avenue
Branchville, NJ 07890

Your application or information you provide in connection with a claim is our major source of information. However, in order to evaluate your application for insurance, to service your policy or to process a claim, we may ask for additional information about you and any person who will be insured under this policy or who is the subject of the claim. This is sometimes necessary to make certain that the statements on your application are accurate or to process the claim. We may also need more details than you have already given us.

INFORMATION WE COLLECT

In connection with an application, the information that we may collect will enable us to make possible judgments about your character, habits, hobbies, finances, occupation, general reputation, health or other personal characteristics. In connection with a claim, the information we may collect will enable us to process the claim.

We may obtain this information from several sources. For example, we may contact any physician, clinic or hospital where any persons to be insured or making a claim have been treated. We may need information from your employer. But, before we ask for information from any of these sources, we will ask you to sign an authorization, which gives us permission to proceed, unless authorization is not required by law.

We may get information by talking or writing to other insurance companies to which you applied for a policy or with which you have made a claim, members of your family, neighbors, friends, your insurance agent and others who know you. We may also obtain information from motor vehicle reports, court records, or photographs of the property you want insured or with regard to which you have made a claim.

CONSUMER REPORTS

It is common for an insurance company to order a report from an independent organization — a consumer reporting agency or an insurance-support organization — to verify and add to the information that you have given us. These reports are used to help us decide if you qualify for the insurance for which you have applied or to evaluate the claim you have made.

They may:

- _____ pertain to your mode of living, character, general reputation and personal characteristics such as health, job and finances.
- _____ contain information on your marital status, driving records, etc.
- _____ include information on the loss history of your property.
- _____ include information gathered by talking or writing to you or members of your family, neighbors, friends, your insurance agent and others who know you.
- _____ include information from motor vehicle reports, court records or photographs of your property and/or the property involved in the claim.

Upon your request, the consumer reporting agency or insurance-support organization will attempt to interview you in connection with any report it prepares. The information may be kept by the reporting organization and may later be given to others who use its services. It will be given only to the extent permitted by the Federal Fair Credit Reporting Act and your local state law, if any. Upon request and identification, the consumer reporting agency or insurance-support organization will provide you with a copy of the report.

DISCLOSURE OF INFORMATION

Information we collect about you will not be given to anyone without your consent, except when necessary to conduct our business. There are some disclosures which may be made without your prior authorization. These include:

- _____ Persons or organizations who need the information to perform a professional, business or insurance function for us, such as businesses that assist us with data processing or marketing.
- _____ Other insurance companies, agents, or consumer reporting agencies as it may be needed in connection with any application, policy or claim involving you.
- _____ Adjusters, appraisers, investigators and attorneys who need the information to investigate or settle a claim involving you.
- _____ An insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.
- _____ A medical professional or institution to verify your insurance coverage or inform you of a medical condition of which you may not be aware.
- _____ Persons or organizations that conduct scientific research, including actuarial or underwriting studies.
- _____ Persons or organizations that will use the information for sales purposes, unless you indicate in writing to us that you do not want the information disclosed for this purpose.
- _____ Our affiliated companies for auditing our operations and for marketing an insurance product or service.

In addition, we may provide information to state insurance departments in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities.

YOUR INSURANCE POLICY FILES

Information we collect about you will be kept in our policy files. We may refer to this information if you file a claim for benefits under any policy you have with us or if you apply to us for a new policy. You have the right to know what kind of information we keep in our files about you, to have access to the information, and to receive a copy. There are some types of information; however, to which we are not required to give you access. This type of information is generally collected when we evaluate a claim or when the possibility of a lawsuit exists.

If you want information from your files, please contact us. There may be a nominal charge for copies of records. If you think your file contains incorrect information, notify us indicating what you believe is incorrect and your reasons. We will reinvestigate the matter and either correct our records or place a statement from you in our files explaining why you believe the information is incorrect. We will also notify persons or organizations to whom we previously disclosed the information of the change or your statement.

CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with legal standards and ensure the confidentiality of personal information in accordance with our policy.

TREATMENT OF PERSONAL INFORMATION OF FORMER CUSTOMERS AND APPLICANTS

We adhere to this personal information privacy policy even when a customer relationship no longer exists. Disclosures about former applicants and customers may be made without prior authorization as permitted by law.

If you have any questions about our information practices, please contact us.

NOTICE TO POLICYHOLDER

AUD-899 (07/91)

IN THE REPAIR OF YOUR COVERED AUTO UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF AUTOMOBILE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.

AUD-899 (07/91)

SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA
3426 TORINGDON WAY, CHARLOTTE, NC 28277

COMMERCIAL POLICY COMMON DECLARATION

Named Insured and Address LAWN ETC., LLC & ADAM C DUFFY D/B/A CORRECTIVE LANDSCAPE SERVICES PO BOX 691686 CHARLOTTE, NC 28227-7029	Policy Period From: JULY 6, 2016 To: JULY 6, 2017 12:01 A.M Standard Time At Location of Designated Premises.
Named Insured is: INDIVIDUAL	Producer Number: 00-07256-00000

Producer:

LOWRY & ASSOCIATES INC
NORTH CAROLINA

Schedule of Coverage

COMMERCIAL PROPERTY COVERAGE
COMMERCIAL GENERAL LIABILITY COVERAGE
COMMERCIAL AUTOMOBILE COVERAGE
COMMERCIAL INLAND MARINE COVERAGE
COMMERCIAL UMBRELLA COVERAGE
PESTICIDE HERBICIDE

PREMIUM INCLUDES TERRORISM - CERTIFIED ACTS \$92.00
PREMIUM INCLUDES TERRORISM - AUTO \$66.00

In return for payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance indicated in the schedule above. Insurance is provided only for those coverages for which a specific limit is shown on the attached coverage declaration(s).

PAYMENT METHOD

Total Policy Premium \$7,383.00

D/B - 10

(This premium may be subject to adjustment.)

Date Issued: JUNE 3, 2016

Issuing Office: SOUTHERN REGION

Authorized Representative _____

SCHEDULE OF LOCATIONS

Policy Effective Date: JULY 6, 2016

Schedule Effective Date: JULY 6, 2016

Prem.**No.****Location****Bldg.****No.****Occupancy**

1

3805 ZEBULON WILLIAMS RD
MONROE, NC 28110

1

LANDSCAPE

1

7730 MATTHEWS MINT HILL RD
MINT HILL, NC 28227

2

LANDSCAPE

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: JULY 6, 2016

Schedule Effective Date JULY 6, 2016

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMON COVERAGE PART:

IL 70 25 1189 COMMERCIAL POLICY COMMON DECLARATION
IL 70 36 0193 SCHEDULE OF LOCATIONS

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL PROPERTY COVERAGE PART:

CP 70 26 1011 COMMERCIAL PROP DEC
CP 00 10 0607 BUILDING & PERSONAL PROPERTY COVERAGE FM
CP 00 30 0607 BUSINESS INCOME COVERAGE (W/EX EXP)
CP 00 90 0788 COMMERCIAL PROPERTY CONDITIONS
CP 01 18 0214 NORTH CAROLINA CHANGES
CP 01 40 0706 EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 10 30 0607 CAUSES OF LOSS-SPECIAL FORM
CP 10 32 0808 WATER EXCLUSION ENDORSEMENT
CP 75 51 0511 SYSTEMS POWER PAC
CP 75 59 0611 BUSINESS INCOME ACTUAL LOSS SUS-12 MONTH
CP 76 23 1011 COMMERCIAL PROP MORTGAGE HOLDERS SCHED
CP 80 11 0406 SYSTEMS POWER PAC MULTIPLE DED. FORM
IL 00 03 0908 CALCULATION OF PREMIUM
IL 00 17 1198 COMMON POLICY CONDITIONS
IL 02 69 0908 NC CHANGES-CANCELLATION AND NONRENEWAL
IL 09 52 0115 CAP ON LOSS FROM CERT ACTS OF TERRORISM
IL 09 85A 0115 DISCL PURSUANT TO TERR RISK INS ACT
IL 89 53 1198 EXCL OF CERTAIN COMPUTER-RELATED LOSSES
IL 89 56 0899 ASBESTOS EXCLUSION
IN 01 32 0115 NOTICE - OFFER OF TERR COV AND REJECTION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL GENERAL LIABILITY COVERAGE PART:

CG 70 35 0690 COMMERCIAL LIABILITY COVG DECLARATION
CG 00 01 0413 CGL COV FORM (OCCURRENCE)
CG 21 06 0514 EXCL ACCESS DISCL CONF PERS INF-W/LIM BI
CG 21 31 0509 LTD EXCL DESIGNATED OPS
CG 21 47 1207 EMPLOYMENT-RELATED PRACTICES EXCL
CG 21 62 0998 EXCL-Y2K COMPUTER-RELATED W/EX PREMISES
CG 21 67 1204 FUNGI OR BACTERIA EXCLUSION
CG 21 70 0115 CAP ON LOSSES FROM CERT ACTS OF TERROR
CG 21 86 1204 EXCL-EXT INSULATION AND FINISH SYSTEMS
CG 25 03 0509 DESIGNATED CONST PROJECT(S) AGG LIMIT
CG 25 04 0509 DESIGNATED LOCATION(S) GENERAL AGG LIMIT
CG 72 02 1211 ELITEPAC GENERAL LIABILITY EXTENSION
CG 79 32 0709 LAWN SERVICES COVERAGE
CG 79 33 0610 LIMITED PROPERTY DAMAGE CCC EXT ENDT
CG 79 35 0708 PRODUCT RECALL EXPENSE COV ENDT
IL 00 03 0908 CALCULATION OF PREMIUM
IL 00 17 1198 COMMON POLICY CONDITIONS
IL 00 21 0908 NUCLEAR ENERGY LIABILITY EXCLUSION
IL 02 69 0908 NC CHANGES-CANCELLATION AND NONRENEWAL
IL 09 85A 0115 DISCL PURSUANT TO TERR RISK INS ACT
IL 89 48 0100 EXCLUSION - LEAD HAZARD
IL 89 56 0899 ASBESTOS EXCLUSION
IN 01 32 0115 NOTICE - OFFER OF TERR COV AND REJECTION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
BUSINESS AUTOMOBILE COVERAGE PART:

CA 70 57 0292 BUSINESS AUTO COVERAGE DECLARATION

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: JULY 6, 2016

Schedule Effective Date JULY 6, 2016

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE BUSINESS AUTOMOBILE COVERAGE PART:

CA 70 58	0292	BUSINESS AUTO COVERAGE DECLARATION PAGE2
CA 00 01	0310	BUSINESS AUTO COVERAGE FORM
CA 01 26	0710	NC CHANGES
CA 04 42	0310	EXCL FED EMPLOYEES USING AUTO IN GOV BUS
CA 20 54	1001	EMPLOYEE HIRED AUTOS
CA 20 71B	1001	AUTO LOAN/LEASE GAP COVERAGE
CA 21 16	0410	NC UM COVERAGE
CA 70 38	0790	PHYSICAL DAMAGE COVERAGE
CA 77 35	0210	ELITEPAC COMMERCIAL AUTOMOBILE EXTENSION
CA 77 74	0706	LIMITED MOBILE EQUIPMENT COVERAGE
CA 99 03	0306	AUTO MEDICAL PAYMENTS COVERAGE
CA 99 17	0306	INDIVIDUAL NAMED INSURED
IL 00 03	0908	CALCULATION OF PREMIUM
IL 00 17	1198	COMMON POLICY CONDITIONS
IL 00 21	0908	NUCLEAR ENERGY LIABILITY EXCLUSION
IL 89 56	0899	ASBESTOS EXCLUSION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMERCIAL INLAND MARINE COVERAGE PART:

CM 70 71	0794	COMMERCIAL INLAND MARINE DECLARATIONS
CM 70 96A	0792	CONTRACTORS EQUIPMENT COVERAGE
CM 71 48A	0694	PROPERTY TOOLS COVERAGE
CM 00 01	0695	COMMERCIAL INLAND MARINE CONDITIONS
CM 01 03	0214	NORTH CAROLINA CHANGES
CM 70 97	0312	CONTRACTORS EQUIPMENT COVERAGE FORM
CM 70 99	1191	MISCELLANEOUS PROPERTY COVERAGE
CM 71 15	0312	CONTRACTORS EQUIPMENT LEASED/RENTED
CM 72 00	0112	LIBERALIZATION
IL 00 03	0908	CALCULATION OF PREMIUM
IL 00 17	1198	COMMON POLICY CONDITIONS
IL 02 69	0908	NC CHANGES-CANCELLATION AND NONRENEWAL
IL 09 52	0115	CAP ON LOSS FROM CERT ACTS OF TERRORISM
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT
IL 89 53	1198	EXCL OF CERTAIN COMPUTER-RELATED LOSSES
IN 01 32	0115	NOTICE - OFFER OF TERR COV AND REJECTION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE COMMERCIAL UMBRELLA COVERAGE PART:

CX 00 03A	0199	COMMERCIAL EXCESS/UMBRELLA DEC
CXL 4	0403	COMMERCIAL UMBRELLA LIAB COVG
CXL 17	1099	ASBESTOS EXCLUSION
CXL 34	0403	EMPLOYEE BENEFITS LIAB EXCLUSION
CXL 94	0199	DIRECTORS & OFFICERS LIAB EXCLUSION
CXL 103	0403	AUTO LIABILITY LIMITATION
CXL 119	0403	WATERCRAFT LIABILITY LIMITATION
CXL 132	0403	PERSONAL & ADVERTISING INJURY LIAB
CXL 152	1115	CONTRACTORS ENDORSEMENT
CXL 170	0403	NC CHANGES-CANCELLATION & NONRENEWAL
CXL 318	0403	EXCLUSION - LEAD HAZARD
CXL 358	0403	EXCL Y2K COMPUTER-RELATED W/EX BI/PREMIS
CXL 362	0199	EXCL-EXT INSULATION AND FINISH SYSTEMS
CXL 383	0702	FUNGI OR BACTERIA EXCLUSION
CXL 388	0115	CAP ON LOSSES FROM CERT ACTS OF TERR
CXL 400	0403	NUCLEAR ENERGY LIABILITY EXCLUSION END
CXL 453	0413	EXCL-EMPLOYMENT PRACTICES LIABILITY

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: JULY 6, 2016

Schedule Effective Date JULY 6, 2016

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL UMBRELLA COVERAGE PART:

CXL 454	0413	EXCL-FIDUCIARY LIABILITY
CXL 462	1115	COMMERCIAL UMBRELLA LIABILITY
IL 00 17	1198	COMMON POLICY CONDITIONS
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT
IN 01 32	0115	NOTICE - OFFER OF TERR COV AND REJECTION
IN 05 83	1115	IMPT. NOTICE-COMM UMBRELLA LIAB CHANGES

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
PESTICIDE AND HERBICIDE COVERAGE PART:

PH 00 05	0196	PESTICIDE AND HERBICIDE APPL COVG DEC
IL 70 64	0115	NC CHANGES - CANC AND NONRENEWAL
PH 00 01	0107	PESTICIDE AND HERBICIDE APP COVG
PH 00 07	0395	PH APPLICATOR COVERAGE REFERENCE GUIDE
PH 21 62	0998	EXCL Y2K COMPUTER-RELATED AND OTHER ELEC

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

POLICY NUMBER: s 1612082

IL 09 85 01 15

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

SCHEDULE

SCHEDULE — PART I

Terrorism Premium (Certified Acts) \$92.00

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):

INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
GENERAL LIABILITY COVERAGE PART
UMBRELLA LIABILITY COVERAGE PART

Additional information, if any, concerning the terrorism premium:

SCHEDULE — PART II

Federal share of terrorism losses 84% **Year:** 2016

(Refer to Paragraph **B.** in this endorsement.)

Federal share of terrorism losses 83% **Year:** 2017

(Refer to Paragraph **B.** in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CALCULATION OF PREMIUM

IL 00 03 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

IL 00 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

NORTH CAROLINA CHANGES — CANCELLATION AND NONRENEWAL

IL 02 69 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1) Expiration of the policy term; or
- (2) Anniversary date,
stated in the policy only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;

- (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
- (d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- (e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;
- (f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;
- (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
- (h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;
- (i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

- (j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
 - d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

- B. The following provisions are added and supersede any other provisions to the contrary:

1. Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:
 - (1) Expiration of the policy if this policy has been written for one year or less; or
 - (2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.
- b. We need not mail or deliver the notice of nonrenewal if you have:
 - (1) Insured property covered under this policy, under any other insurance policy;
 - (2) Accepted replacement coverage; or
 - (3) Requested or agreed to nonrenewal of this policy.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

- 2. The written notice of cancellation or nonrenewal will:

- a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
- b. State the reason or reasons for cancellation or nonrenewal.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

IL 09 52 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

NORTH CAROLINA CHANGES — CANCELLATION AND NONRENEWAL

IL 70 64 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

ABUSE OR MOLESTATION COVERAGE FORM
ASSISTED LIVING FACILITIES PROFESSIONAL LIABILITY COVERAGE FORM
CONTRACTORS PROFESSIONAL COVERAGE FORM
CYCURITY COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
PESTICIDE AND HERBICIDE APPLICATOR COVERAGE FORM
POLICE PROFESSIONAL LIABILITY COVERAGE FORM
PROFESSIONAL LIABILITY COVERAGE FORM
PUBLIC OFFICIALS LIABILITY COVERAGE FORM
SCHOOL BOARD LEGAL LIABILITY COVERAGE FORM
SOCIAL SERVICE ORGANIZATION PROFESSIONAL LIABILITY COVERAGE FORM
TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
VOLUNTEER EMERGENCY SERVICES MANAGEMENT LIABILITY COVERAGE FORM

A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1) Expiration of the policy term; or
- (2) Anniversary date,

stated in the policy only for one or more of the following reasons:

- (a) Nonpayment of premium;

- (b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;
- (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
- (d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- (e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;
- (f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;
- (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;

- (h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;
- (i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or
- (j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
 - d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. The following provisions are added and supersede any other provisions to the contrary:

1. Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:
 - (1) Expiration of the policy if this policy has been written for one year or less; or
 - (2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.
- b. We need not mail or deliver the notice of nonrenewal if you have:
 - (1) Insured property covered under this policy, under any other insurance policy;
 - (2) Accepted replacement coverage; or
 - (3) Requested or agreed to nonrenewal of this policy.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The written notice of cancellation or non-renewal will:

- a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
- b. State the reason or reasons for cancellation or nonrenewal.

EXCLUSION — LEAD HAZARD

THIS EXCLUSION CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
GARAGE COVERAGE PART
GARAGE POLICY (VIRGINIA ONLY)
OWNERS and CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE and HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT
OF TRANSPORTATION

This insurance does not apply to:

- a. "Bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form;
- b. "Property damage" or "personal and advertising injury" arising from the presence of lead in any form; or
- c. Any loss, cost or expense arising out of any orders by, or on behalf of, any governmental authority to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead in any form;

at or from any premises, sites or locations which are, or were at any time, owned by, rented to, loaned to, or used by any insured, or arising from operations by any insured.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

IL 89 53 11 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SYSTEMS BREAKDOWN COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

- (1)** Computer hardware, including microprocessors;
- (2)** Computer application software;
- (3)** Computer operating systems and related software;
- (4)** Computer networks;
- (5)** Microprocessors (computer chips) not part of any computer system; or
- (6)** Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Equipment Breakdown Coverage Part, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy;

2. In an "accident" under the Systems Breakdown Coverage Part or the Systems Power Pac Endorsement; or

3. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss," or in elevator collision resulting from mechanical breakdown, under the Causes of Loss — Special Form; or

b. In a Covered Cause of Loss under the Causes of Loss — Basic Form or the Causes of Loss — Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss," elevator collision, "accident", or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

ASBESTOS EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
BUSINESSOWNERS COVERAGE PART
CAUSES OF LOSS — BASIC FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
GARAGE COVERAGE PART
MOTOR CARRIER COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART
TRUCKERS COVERAGE PART

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:
 - a. structures or manufacturing processes containing "asbestos";
 - b. the disposal of "asbestos" or goods, products or materials containing "asbestos";
 - c. the storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or
 - d. the removal of "asbestos" from any goods, products, materials, structures or manufacturing processes,whether or not such "asbestos" is airborne.
2. We shall have no obligation under this coverage part:
 - a. to investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or
 - b. to pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or
 - c. for any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."
3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

COMMERCIAL PROPERTY COVERAGE DECLARATION

Policy Effective Date: JULY 6, 2016				Coverage Effective Date: JULY 6, 2016					
Insurance is provided only for those coverages for which a specific limit is shown in the following coverage									
Coverage — Scheduled Locations									
Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard	
1	1	BUSN PERS PROP	\$133,530	SPECIAL	90%	\$250	REPL. COS		
Coverage — Blanket Locations									
Prem. No.	Bldg. No.	Coverage	Rating Value	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard	Blanket ID
Business Income									
Prem. No.	Bldg. No.	Coverage Type	Limit of Insurance	Waiting Period (hrs)	Coins	Monthly Limit of Indemnity	Max Period of Indemnity	Extended Period of Indemnity	Blanket ID
1	1	ACTUAL LOSS							
Blanket Coverage									
Blanket ID #		Blanket Group				Total Blanket Limit			
Extra Expense									
Prem. No.	Bldg. No.	Limit	Monthly Limitation	Prem. No.	Bldg. No.	Limit	Monthly Limitation		
Forms and Endorsements:							Premium Amount		
Refer to “Commercial Policy Forms and Endorsement Schedule”							\$1,112.00		
							(This premium may be subject to adjustment)		

Previous Policy Number

S 1612082

Policy Number

S 1612082

COMMERCIAL PROPERTY MORTGAGE HOLDERS SCHEDULE

Policy Effective Date: JULY 6, 2016

Schedule Effective Date: JULY 6, 2016

Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SYSTEMS POWER PAC DEDUCTIBLE

POLICY NUMBER: S 1612082

COMMERCIAL PROPERTY
CP 80 11 04 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

SYSTEMS POWER PAC

The following is added to Systems Power Pac:

SCHEDULE

The Deductibles applicable to any one "accident" are shown below:

Prem. No.	Bldg. No.	Deductible(s)
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Unless otherwise shown in the Schedule above, the deductible(s) will be:
COMBINED COVG FOLLOWS PROPERTY DEDUCTIBLE

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COMMERCIAL PROPERTY
CP 00 10 06 07

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property — Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
(\$10,000 is 20% of \$50,000.)	

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or

- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
- The amount payable under this Additional Coverage is additional insurance.
- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss — Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
- (b) If the Causes Of Loss — Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss — Special Form applies, coverage under this Extension is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss — Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building #1:	\$ 60,000
Limit of Insurance - Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,100
- 250
\$ 59,850 Loss Payable - Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1: (Exceeds Limit of Insurance plus Deductible)	\$ 70,000
Loss to Building #2: (Exceeds Limit of Insurance plus Deductible)	\$ 90,000
Loss Payable - Building #1: (Limit of Insurance)	\$ 60,000
Loss Payable - Building #2: (Limit of Insurance)	\$ 80,000
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \times \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	\$250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When: The value of the property is:

Building at Location #1:	\$ 75,000
Building at Location #2:	\$100,000
Personal Property at Location #2:	\$ <u>75,000</u> \$250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is: \$180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location #2:	\$ 30,000
Personal Property at Location #2:	\$ <u>20,000</u> \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \times \$225,000 = .80$

Step (3): $\$50,000 \times 80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

EXAMPLE

If: The applicable Limit of Insurance is: \$100,000
The annual percentage increase is: 8%
The number of days since the beginning of the policy year (or last policy change) is: 146
The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

COMMERCIAL PROPERTY
CP 00 30 06 07

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Limitation — Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage - Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(1)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

- (b)** Ends on the earlier of:

- (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1)** Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2)** Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3)** With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a)** If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b)** If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations includes Collapse as set forth in that form.

- (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations And New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (7) Cooperate with us in the investigation or settlement of the claim.

- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and

Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$150,000

The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \times \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When: The Limit of Insurance is: \$120,000

The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000
($\$120,000 \times 1/4 = \$30,000$)

If, in this example, the actual amount of loss is:

Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ <u>30,000</u>
	\$ 90,000

We will pay:

Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	\$ <u>30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
- (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
- (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
- (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
- (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

EXAMPLE

When:	The Limit of Insurance is:	\$100,000
	The Agreed Value is:	\$200,000
	The amount of loss is:	\$ 80,000

Step (1): $\$100,000 \times \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2)** The date when business is resumed at a new permanent location.

“Period of restoration” does not include any increased period required due to the enforcement of any ordinance or law that:

- (1)** Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration date of this policy will not cut short the “period of restoration”.

- 4. “Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. “Rental Value” means Business Income that consists of:

- a.** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b.** Continuing normal operating expenses incurred in connection with that premises, including:
 - (1)** Payroll; and
 - (2)** The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. “Suspension” means:

- a.** The slowdown or cessation of your business activities; or
- b.** That a part or all of the described premises is rendered untenable, if coverage for Business Income Including “Rental Value” or “Rental Value” applies.

COMMERCIAL PROPERTY CONDITIONS

COMMERCIAL PROPERTY

This "Coverage Part is subject to the following conditions the Common policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning

1. This Coverage Part;
2. The Covered property;
3. Your interest in the Covered property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPER

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGE

If two or more of this policy's coverages apply to the same loss or damage we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the Coverage under this Coverage Part without addi-

tional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization other than you having custody of Covered property will benefit from this insurance

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this "Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada

1. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered income only if, at time of loss, that party is one of the following:

- a. Someone insured by this insurance;
- b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you: or
- c. Your tenant.

This will not restrict your insurance.

NORTH CAROLINA CHANGES

COMMERCIAL PROPERTY
CP 01 18 02 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

B. The **Legal Action Against Us** Condition is replaced by the following:

Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within three years after the date on which the direct physical loss or damage occurred.

C. Paragraph **d.** of the **Replacement Cost Optional Coverage** is replaced by the following:

Replacement Cost Optional Coverage

- d.** We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced:
 - (a) On the described premises; or
 - (b) At some other location in the State of North Carolina; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, if covered, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of the applicable Coverage Form; and

- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

The above Provision, **d.**, does not apply to the Standard Property Policy **CP 00 99**.

D. The **Appraisal Loss** Condition is replaced by the following:

Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, they must request selection of an umpire by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be the appraised value of the property or amount of loss. If you make a written demand for an appraisal of the loss, each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

E. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

- 1.** If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this Coverage Part or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:
 - a.** The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or
 - b.** The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.

- 2.** Except as otherwise provided in Paragraph 1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

- a.** A premium or debt payment; or
- b.** Any other duty or any act (including transmittal of information),

under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

COMMERCIAL PROPERTY
CP 01 40 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage — Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS — SPECIAL FORM

COMMERCIAL PROPERTY
CP 10 30 06 07

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage — Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1)** Electrical or electronic wire, device, appliance, system or network; or
- (2)** Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a)** Electrical current, including arcing;
- (b)** Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c)** Pulse of electromagnetic energy; or
- (d)** Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.**
 - (1)** Wear and tear;
 - (2)** Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3)** Smog;
 - (4)** Settling, cracking, shrinking or expansion;
 - (5)** Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
 - (6)** Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

- (a)** Dampness or dryness of atmosphere;
- (b)** Changes in or extremes of temperature; or
- (c)** Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1)** Acting alone or in collusion with others; or

- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage — Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The “specified causes of loss”;
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of “pollutants” unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the “specified causes of loss”. But if the discharge, dispersal, seepage, migration, release or escape of “pollutants” results in a “specified cause of loss”, we will pay for the loss or damage caused by that “specified cause of loss”.

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

(1) Any loss caused by or resulting from:

- (a)** Damage or destruction of "finished stock"; or
- (b)** The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a)** Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b)** Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a)** Your cancelling the lease;

- (b)** The suspension, lapse or cancellation of any license; or

- (c)** Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a)** Paragraph B.1.a., Ordinance Or Law;

- (b)** Paragraph B.1.c., Governmental Action;

- (c)** Paragraph B.1.d., Nuclear Hazard;

- (d)** Paragraph B.1.e., Utility Services; and

- (e)** Paragraph B.1.f., War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i)** Your assumption of liability was executed prior to the accident; and

- (ii)** The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or
- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
- b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c.** \$2,500 for patterns, dies, molds and forms.
- d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a.** Results in discharge of any substance from an automatic fire protection system; or
- b.** Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage — Collapse

The coverage provided under this Additional Coverage — Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage — Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the “specified causes of loss”;
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage — Collapse** does not apply to:

- a.** A building or any part of a building that is in danger of falling down or caving in;
- b.** A part of a building that is standing, even if it has separated from another part of the building; or
- c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b.** Awnings, gutters and downspouts;
- c.** Yard fixtures;

- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

(1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage — Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage — Collapse will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage — Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage — Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria

- 1. The coverage described in **E.2.** and **E.6.** only applies when the “fungus”, wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A “specified cause of loss” other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by “fungus”, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by “fungus”, wet or dry rot or bacteria, including the cost of removal of the “fungus”, wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the “fungus”, wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that “fungus”, wet or dry rot or bacteria are present.
- 3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of “specified causes of loss” (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in “fungus”, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the “fungus”, wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage — Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

WATER EXCLUSION ENDORSEMENT

COMMERCIAL PROPERTY
CP 10 32 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SECTION — I

The following is added as an Additional Coverage to the Causes of Loss — Basic Form, Broad Form or Special Form.

A. ADDITIONAL COVERAGE — EQUIPMENT BREAKDOWN.

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$250,000 unless otherwise shown in a Schedule.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in a Schedule.

c. Spoilage

(1) We will pay:

- (a)** For physical damage to “perishable goods” due to spoilage;
- (b)** For physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c)** Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2)** If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a Schedule or the Spoilage Limit endorsement.

d. Service Interruption

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

- (2)** Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident.” However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, or if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.

- (3)** The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

e. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a Business Income deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, then as respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident,” and the deductible shown in the Deductible Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

f. Animals

We will pay for the loss of or damage to animals owned by others and boarded by you, or if owned by you, only as “stock” while inside of the building and then only if they are killed or their destruction is made necessary.

The most we will pay for loss under this coverage is \$250,000 unless otherwise shown in a Schedule.

B. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The following exclusions are modified:

- a. If the **Causes of Loss — Basic Form** or **Causes of Loss — Broad Form** applies, the following is added to Exclusion **B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

- b. The following is added to Exclusion **B.1.g.:**

However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

- c. If the **Causes of Loss — Special Form** applies, as respects this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

2. The following exclusions are added:

- a. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

(1) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(2) Any of the following:

- (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

3. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

5. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under Spoilage coverage.

6. We will not pay under this endorsement for any loss or damage to animals, except as provided under **A.2.f. Animals.**

C. DEFINITIONS

The following are added to **G. DEFINITIONS:**

1. "**Boilers and vessels**" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

2. "Covered equipment"

a. "Covered equipment" means unless otherwise specified in a Schedule, Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "Vehicle" or any equipment mounted on a "vehicle";
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment;
- (8) Equipment manufactured by you for sale; or
- (9) Electronic data processing equipment, unless used to operate or control "covered equipment." Electronic Data Processing Equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.

3. "Data" means information or instructions stored in digital code capable of being processed by machinery.

4. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

5. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

6. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

7. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

8. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

9. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, fork-lift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

SECTION — II

The Building and Personal Property Coverage Form is amended as follows.

The definitions stated above also apply to Section II. of this endorsement.

A. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown on the Systems Power Pac Deductible Endorsement. If a separate Equipment Breakdown deductible is shown, the following applies:

Only as regards Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** is deleted and replaced with the following:

1. Deductibles for Each Coverage

- a. Unless the Deductible Endorsement indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Deductible Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Deductible Endorsement.
- b. Unless more specifically indicated in the Deductible Endorsement:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Deductible Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in the Deductible Endorsement, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Deductible Endorsement will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

B. CONDITIONS

The Building and Personal Property Coverage Form and the Common Policy Conditions are amended as follows:

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- a.** Your last known address; or
- b.** The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

BUSINESS INCOME ACTUAL LOSS SUSTAINED — 12 MONTH LIMITATION

COMMERCIAL PROPERTY
CP 75 59 06 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

- I. The following paragraphs under **A. COVERAGE** are deleted.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income including "Rental Value".
- (2) Business Income other than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

The above paragraphs are replaced with the following:

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- II. Under Item **6. Coverage Extensions** the following paragraphs are deleted:

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

The Additional Condition, Coinsurance does not apply to the Extension.

- III. Section **B. LIMITS OF INSURANCE** is replaced by the following:

We will only pay for loss of Business Income including "rental value" and Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

- IV. Section **D. ADDITIONAL CONDITION** does not apply.

- V. Section **E. OPTIONAL COVERAGES** does not apply.

Previous Policy Number

S 1612082

Policy Number

S 1612082

COMMERCIAL LIABILITY COVERAGE DECLARATION

Policy Effective Date: JULY 6, 2016	Coverage Effective Date: JULY 6, 2016
Business of Named Insured: LANDSCAPER	

Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule.

Coverage Limits

COMMERCIAL GENERAL LIABILITY

General Aggregate Limit (Other Than Products-Completed Operations)	\$3,000,000
Products-Completed Operations -- Aggregate Limit	\$3,000,000
Personal and Advertising -- Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage To Premises Rented To You Limit -- Any One Premises	\$100,000
Medical Expense Limit -- Any One Person	\$10,000

Commercial Liability Premium (s)

Classification	Class Code	Premium Basis	Rates		Advanced Premium	
			Premises - Operations	Products - Completed Operations	Premises - Operations	Products - Completed Operations
TERRORISM					\$10.00	
LOCATION #001 BUILDING #001						

LAWN CARE SERVICES (T-002)	31022	41,200 (P)	7.323	INCL.	\$500.00	INCL.
PREM. ADJUSTED TO MEET MIN.						
Minimum Premium			\$500.00	Total Premium	\$510.00	\$.00

Premium and Rate Legend

Location of all premises you own, rent, or control: (P) Payroll - rate per \$1000 of payroll
Refer to "Schedule of Locations"

This Schedule lists all your premises, operations and other exposures, as they exist as of the coverage effective date.

Forms and Endorsements: Refer to "Commercial Policy Forms and Endorsement Schedule"	Total Advance Premium \$510.00 (This premium may be subject to adjustment.)
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LIMITED EXCLUSION — DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

POLICY NUMBER: s 1612082

COMMERCIAL GENERAL LIABILITY
CG 21 31 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Operation(s):

ALL PROJECTS IN WHICH THE INSURED IS COVERED UNDER AN OWNERS CONTROLLED INSURANCE PROGRAM (OCIP) OR CONTRACTORS CONTROLLED INSURANCE PROGRAM (CCIP) DURING THE DURATION OF THE PROJECT AND INCLUDING THE STATED PERIOD OF COMPLETED OPERATIONS AS DETAILED IN THE OCIP OR CCIP AGREEMENT, UNLESS SUCH OCIP OR CCIP IS EITHER SPECIFICALLY EXCLUDED FROM COVERAGE OR SPECIFICALLY COVERED ON AN EXCESS BASIS ON THIS POLICY.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following exclusion is added to Paragraph 2. **Exclusions of SECTION I — Coverage A — Bodily Injury And Property Damage Liability:**

This insurance does not apply to “bodily injury” or “property damage” arising out of either your ongoing operations or operations included within the “products-completed operations hazard” at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1) Provides coverage identical to that provided by this Coverage Part; or
- (2) Has limits adequate to cover all claims.

This exclusion does not apply if the consolidated (wrap-up) insurance program covering your operations described in the Schedule has been cancelled, non-renewed or otherwise no longer applies for reasons other than the exhaustion of all available limits, whether such limits are available on a primary, excess or on any other basis. You must advise us of such cancellation, nonrenewal or termination as soon as practicable.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT

POLICY NUMBER: S 1612082

COMMERCIAL GENERAL LIABILITY
CG 25 03 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Construction Project(s):

ALL CONSTRUCTION PROJECTS OF YOURS AND LOCATIONS AT WHICH
YOU ARE PERFORMING SERVICE WORK FOR WHICH COVERAGE IS
PROVIDED UNDER THIS POLICY.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I — Coverage A, and for all medical expenses caused by accidents under Section I — Coverage C, which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.
- 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I — Coverage A, and for all medical expenses caused by accidents under Section I — Coverage C, which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:
1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

- D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- E. The provisions of **SECTION III — Limits Of Insurance** not otherwise modified by this endorsement shall continue to apply as stipulated.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

POLICY NUMBER: S 1612082

COMMERCIAL GENERAL LIABILITY
CG 25 04 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):

SUBJECT TO THE TERMS AND CONDITIONS OF THIS POLICY, EACH
DESIGNATED LOCATION LISTED ON THE SCHEDULE OF LOCATIONS
SHOWN ON THE DECLARATION PAGE FOR THIS POLICY.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** — Coverage **A**, and for all medical expenses caused by accidents under Section **I** — Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
- 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section **I** — Coverage **A**, and for all medical expenses caused by accidents under Section **I** — Coverage **C**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.

- D. For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:

“Location” means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

- E. The provisions of **SECTION III — Limits Of Insurance** not otherwise modified by this endorsement shall continue to apply as stipulated.

PRODUCT RECALL EXPENSE COVERAGE ENDORSEMENT

POLICY NUMBER: S 1612082

COMMERCIAL GENERAL LIABILITY
CG 79 35 07 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

SUB-LIMITS OF INSURANCE:

"Product Recall Expense"

Per Occurrence:

Annual Aggregate:

"Additional Covered Expenses"

The "Additional Covered Expenses" Per Occurrence and Annual Aggregate Limit is equal to 50% of the above "Product Recall Expense" Limit.

DEDUCTIBLE:

COVERAGE IN THIS ENDORSEMENT DOES NOT APPLY TO THESE PRODUCTS:

THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT RECALL". THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.

A. The following is added to **SECTION I — COVERAGES:**

SECTION I — LIMITED PRODUCT RECALL EXPENSE COVERAGE

1. Insuring Agreement

- a. We will reimburse you for "Product Recall Expense" and "Additional Covered Expenses" incurred by you because of a "product recall" to which this insurance applies.

The amount of such reimbursement is limited as described in **SECTION III — LIMITS OF INSURANCE**. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This insurance applies to a "product recall" only if the "product recall" is initiated in the "coverage territory" during the policy period because:

- (1) You determine that the "product recall" is necessary; or
- (2) An authorized government entity has ordered you to conduct a "product recall".

- c. We will reimburse you for "Product Recall Expense" and "Additional Covered Expenses" only if:
 - (1) These expenses are incurred within one year of the date the "product recall" was initiated;
 - (2) These expenses are reported to us within one year of the date the expenses were incurred; and
 - (3) The product that is the subject of the "product recall" is not listed in the **"COVERAGE IN THIS ENDORSEMENT DOES NOT APPLY TO THESE PRODUCTS"** entry in the **SCHEDULE** above.
- d. The initiation of a "product recall" will be deemed to have been made only at the earliest of the following times:
 - (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product recall". This applies regardless of whether the determination to conduct a "product recall" is made by you or is requested by a third party; or
 - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product recall".
- e. "Product Recall Expense" or "Additional Covered Expenses" incurred to recall "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product recall".

2. Exclusions

This insurance does not apply to "Product Recall Expense" or "Additional Covered Expenses" arising out of:

- a. Any "product recall" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".
- b. Any "product recall" initiated due to copy-right, patent, trade secret, trade dress, trade name or trademark infringements, or any other intellectual property laws.
- c. Any "product recall" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:
 - (1) An error in manufacturing, design, or processing;
 - (2) Transportation of "your product"; or
 - (3) "Product tampering".
- d. Any "product recall" initiated due to expiration of the designated shelf life of "your product".
- e. A "product recall", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.
- f. A recall of any specific products for which "bodily injury" or "property damage" is excluded under **Coverage A — Bodily Injury And Property Damage Liability** by endorsement.
- g. A recall when "your product" or a component contained within "your product" has been:
 - (1) Banned from the market by an authorized government entity prior to the policy period; or
 - (2) Distributed or sold by you subsequent to any governmental ban.
- h. The defense of a claim or "suit" against you for liability arising out of a "product recall".
- i. Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.
- j. Any loss, cost or expense due to any:
 - (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

- k. Liability assumed by you in any contract or agreement.
- l. Damages or expenses arising out of the violation of any government regulation.
- m. Any unauthorized change in "your product" after it leaves your possession or control. This exclusion does not apply to a covered "product recall" due to "product tampering."
- n. Redistribution or replacement of "your product" which has been recalled by like products or substitutes.
- o. Caprice or whim of the insured.
- p. Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- q. Willful, dishonest, fraudulent, criminal or malicious acts.

B. For the purposes of this endorsement, **SECTION III — LIMITS OF INSURANCE** is replaced by the following:

SECTION III — LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the **SCHEDULE** are Sub-Limits and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Product recalls" initiated; or
 - c. Number of "your products" withdrawn.
- 2. If there are no amounts shown in the **SCHEDULE**, these Sub-Limits will apply:
 - a. "Product Recall Expense":

Per Occurrence	\$25,000
Annual Aggregate	\$25,000
 - b. "Additional Covered Expense": The Per Occurrence and Annual Aggregate is 50% of the "Product Recall Expense" Per Occurrence and Annual Aggregate limit.
- 3. The most we will pay for "Product Recall Expense" during any policy period is the Annual Aggregate Sub-Limit shown on this endorsement's **SCHEDULE**.

4. The most we will pay for "Additional Covered Expenses" during any policy period is 50% of the "Product Recall Expense" Annual Aggregate Sub-Limit on this endorsement's **SCHEDULE**.

5. Deductible Provision

a. Deductible

We will only pay for the amount of "Product Recall Expense" and "Additional Covered Expenses" which are in excess of the deductible amount, if any, shown in the Schedule of this endorsement. The deductible applies separately to each "product recall". The Limits of Insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

C. For the purposes of this endorsement, the Duties In The Event Of Occurrence, Claim Or Suit Condition under **SECTION IV — CONDITIONS** is replaced by the following:

2. Duties In The Event Of A "Defect" Or A "Product Recall"

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product recall". To the extent possible, notice should include:
 - (1) How, when and where the "defect" was discovered;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

b. If a "product recall" is initiated, you must:

(1) Immediately record the specifics of the "product recall" and the date it was initiated; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product recall" as soon as practicable.

c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product recall". Any financial gain or salvage recovery you receive or may be entitled to receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "Product Recall Expense" and "Additional Covered Expenses".

d. You and any others involved insured must:

(1) Immediately send us copies of pertinent correspondence received in connection with the "product recall";

(2) Authorize us to obtain records and other information; and

(3) Cooperate with us in our investigation of the "product recall".

D. For the purposes of this endorsement, the following condition is added to **SECTION IV — CONDITIONS:**

Concealment Or Fraud

We will not provide coverage under **SECTION I** of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or

2. Intentionally concealed or misrepresented a material fact concerning a "product recall" or "Product Recall Expenses" or "Additional Covered Expenses" incurred by you under **SECTION I** of this endorsement.

E. The following definitions are added to **SECTION V — DEFINITIONS:**

1. "Additional Covered Expenses" includes reimbursement to the named insured for "customer consequential loss of profit expense", "cost to replace", "good faith advertising".

2. "Customer consequential loss of profit expense" means the loss of financial gain incurred by your direct customers as a consequence of the "product recall" of "your product" or the "product recall" of their product because their product incorporated "your product."

3. "Cost to replace" means the cost to produce or acquire a like replacement product, including the cost to return "your product" to the purchaser, not to exceed the cost of goods sold. This also includes the cost of unsold finished stock but only if your product cannot be repaired, reconditioned, decontaminated or made marketable.

4. "Good faith advertising" means those advertising costs you pay for the specific purpose of regaining customer approval or faith in "your product."

5. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.

6. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product recall" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Product recall" means the recall or withdrawal:

a. From the market; or

b. From use by any other person or organization; of "your products", or products which contain "your products", because of known or suspected defects in "your product", or known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Product Recall Expense" means those reasonable expenses, listed below, paid on a reimbursement basis and directly related to a "product recall":

- a. Costs of advertising;
- b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
- c. Costs of overtime paid to your regular non-salaried employees and costs incurred by your employees, including costs of transportation and accommodations;

- d. Costs of hiring independent contractors and other temporary employees;
- e. Costs of transportation, shipping or packaging;
- f. Costs of warehouse or storage space; or
- g. Costs of proper disposal of "your products", or products that contain "your products", that can not be reused, not exceeding your purchase price or your cost to produce the products.
- h. Inspection and testing of "your products" to determine whether or not they may be subject to a "product recall".

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COMMERCIAL GENERAL LIABILITY
CG 00 01 04 13

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II — Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V — Definitions**.

SECTION I — COVERAGES

COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III — Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages **A** and **B**.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II — Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III — Limits Of Insurance**.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III — Limits Of Insurance.**

COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III — Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages **A** and **B**.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods — Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C — MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for “bodily injury” caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (a) The accident takes place in the “coverage territory” and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for “bodily injury”:

- a. **Any Insured**
To any insured, except “volunteer workers”.
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers’ Compensation And Similar Laws

To a person, whether or not an “employee” of any insured, if benefits for the “bodily injury” are payable or must be provided under a workers’ compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the “products-completed operations hazard”.

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS — COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any “suit” against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the “suit”. However, these payments do not include attorneys’ fees or attorneys’ expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. **The indemnitee:**

- (1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- (2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of **Section I — Coverage A — Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II — WHO IS AN INSURED

- 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a.** Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” are insureds for:

(1) “Bodily injury” or “personal and advertising injury”:

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-“employee” or “volunteer worker” as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

(2) “Property damage” to property:

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b.** Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to “personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III — LIMITS OF INSURANCE

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a.** Insureds;
- b.** Claims made or “suits” brought; or
- c.** Persons or organizations making claims or bringing “suits”.

- 2.** The General Aggregate Limit is the most we will pay for the sum of:

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”; and
- c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of **Section I — Coverage A — Bodily Injury And Property Damage Liability.**
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V — DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b.** While it is in or on an aircraft, watercraft or "auto"; or
 - c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**EXCLUSION — ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY — WITH
LIMITED BODILY INJURY EXCEPTION**

COMMERCIAL GENERAL LIABILITY
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** Exclusion 2.p. of **Section I — Coverage A — Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1)** Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B.** The following is added to Paragraph **2. Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

COMMERCIAL GENERAL LIABILITY
CG 21 47 12 07

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage A — Bodily Injury And Property Damage Liability:

This insurance does not apply to:

“Bodily injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person’s employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:

This insurance does not apply to:

“Personal and advertising injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person’s employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “personal and advertising injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

EXCLUSION — YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS — WITH EXCEPTION FOR BODILY INJURY ON YOUR PREMISES

COMMERCIAL GENERAL LIABILITY
CG 21 62 09 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I — coverage A — Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” (or “personal and advertising injury” if defined as such in your policy) arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any “insured” or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 2.a.(1) of this endorsement

due to inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 2.a. of this endorsement.

This exclusion does not apply to “bodily injury” occurring on any premises owned by or rented to you.

FUNGI OR BACTERIA EXCLUSION

COMMERCIAL GENERAL LIABILITY
CG 21 67 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2. Exclusions of Section I — Coverage A — Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph 2. Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the Definitions Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

COMMERCIAL GENERAL LIABILITY
CG 21 70 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- “Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

EXCLUSION — EXTERIOR INSULATION AND FINISH SYSTEMS

COMMERCIAL GENERAL LIABILITY
CG 21 86 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any “exterior insulation and finish system” or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. “Your product” or “your work” with respect to any exterior component, fixture or feature of any structure if an “exterior insulation and finish system”, or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- “Exterior insulation and finish system” means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

ELITEPAC

General Liability Extension

COMMERCIAL GENERAL LIABILITY
CG 72 02 12 11

SUMMARY OF COVERAGES (including index)

This is a summary of the various additional coverages and coverage modifications provided by this endorsement. No coverage is provided by this summary. Refer to the actual endorsement (Pages 3-through-8) for changes affecting your insurance protection.

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Not-for-profit Members - Including Club Members	
Not-for-profit Members - as additional insureds	Page 5
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Damage To Premises Rented To You (\$500,000) (Including Fire, Lightning or Explosion)	Page 3
Electronic Data Liability (\$100,000)	Page 4
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ELITEPAC General Liability Extension

COMMERCIAL GENERAL LIABILITY
CG 72 02 12 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The **SECTIONS** of the Commercial General Liability Coverage Part identified in this endorsement will be amended as shown below. However, **when two or more Coverage Parts of this policy apply to a loss**, only the broadest coverage of this policy will apply, unless specifically stated otherwise within the particular amendment covering that loss.

COVERAGES - Amendments

SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

COVERAGE EXTENSION

Property Damage - "Golfing Facilities"

If you operate a "golfing facility", Paragraph 1. **Insuring Agreement** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is amended to include the following:

"Property damage" to any property not owned by you, caused by golf balls originating from your premises, regardless of your legal liability for the damage. The most we will pay under this extension is a sub-limit of \$2,500 per "occurrence". No deductible applies to loss under this extension.

EXCLUSIONS

Employer's Liability Amendment

(This provision is not applicable in New York).

The following is added to Exclusion **e. Employer's Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, 2. **Exclusions**:

This exclusion also does not apply to any "temporary worker".

Non-Owned Aircraft, Auto or Watercraft

The following is added to Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, 2. **Exclusions**:

This exclusion does not apply to:

- (6) A watercraft you do not own that is less than 60 feet long, and not being used to carry persons or property for a charge. Any person is an insured who uses or is responsible for the use of such watercraft with your expressed or implied consent. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

- (7) Any aircraft, not owned or operated by any insured, that is hired, chartered or loaned with a paid crew. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

Damage To Premises Rented to You

- A. The last paragraph of Paragraph 2. **Exclusions** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** is deleted in its entirety and replaced with the following:

Exclusions **c. through n.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

- B. Paragraph 6. under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to Paragraph 5. above, the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner, for all such damage caused by fire, lightning or explosion proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three, is the higher of \$500,000 or the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

C. Paragraph a. of Definition 9. "Insured contract" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

Electronic Data Liability

Exclusion p. **Electronic Data** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced by the following:

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

The most we will pay for damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that results from physical injury to tangible property is a sub-limit of \$100,000 for "property damage" because of all applicable loss of "electronic data" arising out of any one "occurrence".

SECTION I - COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

EXCLUSIONS

Contractual Exclusion Amendment

Exclusion e. **Contractual Liability** under **COVERAGE B PERSONAL AND ADVERTISING INJURY, 2. Exclusions** is deleted in its entirety and replaced with the following:

e. Contractual Liability

"Personal and advertising Injury" for which the insured has assumed liability in a contract or agreement arising out of an "advertisement". This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

SECTION I - COVERAGE C MEDICAL PAYMENTS

EXCLUSIONS

Any Insured Amendment

Exclusion a. **Any Insured** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

a. Any Insured

To any insured.

This exclusion does not apply to:

- (1) "Golfing facility" members who are not paid a fee, salary, or other compensation;
- (2) "Not-for-profit members"; or
- (3) "volunteer workers".

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Product Amendment

Exclusion f. **Products-Completed Operations Hazard** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

This exclusion does not apply to "your products" sold for use or consumption on your premises, while such products are still on your premises, if you are a not-for-profit operation or a "golfing facility".

This exclusion exception, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Recreational Medical Payments - Amateur Golf

Exclusion e. **Athletics Activities** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

If you are a "golfing facility", this exclusion does not apply to a person injured as a result of their participation in amateur athletics that are recreational in nature.

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

Expenses For Bail Bonds And Loss Of Earnings

A. Subparagraph 1.b. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

B. Subparagraph 1.d. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

SECTION II - WHO IS AN INSURED - Amendments

Not-for-Profit Organization Members

The following paragraph is added to **SECTION II - WHO IS AN INSURED**:

If you are an organization other than a partnership, joint venture, or a limited liability company, and you are a not-for-profit organization, your officials, trustees, board members, insurance managers, and "not-for-profit members" are included as additional insureds, however only with respect to their liability for your activities or activities they perform on your behalf.

Employees As Insureds Modified

- A. Subparagraph 2.a.(1)(a) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" to a "temporary worker" caused by a co-"employee" who is not a "temporary worker".
- B. Subparagraph 2.a.(2) under **SECTION II - WHO IS AN INSURED** does not apply to "property damage" to the property of a "temporary worker" caused by a co-"employee" who is not a "temporary worker".
- C. Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

Newly Formed Or Acquired Organizations

- A. Subparagraph 3.a. under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:
- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier. However, **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

B. The following paragraph is added to **SECTION II - WHO IS AN INSURED**, Paragraph 3:

If you are engaged in the business of construction of dwellings three stories or less in height, or other buildings three stories or less in height and less than 25,000 square feet in area, you will also be an insured with respect to "your work" only, for the period of time described above, for your liability arising out of the conduct of any partnership or joint venture of which you are or were a member, even if that partnership or joint venture is not shown as a Named Insured. However, this provision only applies if you maintain or maintained an interest of at least fifty percent in that partnership or joint venture for the period of that partnership or joint venture.

This provision does not apply to any partnership or joint venture that has been dissolved or otherwise ceased to function for more than thirty-six months.

With respect to the insurance provided by this provision, **Newly Formed or Acquired Organizations**, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY**, Paragraph 4. **Other Insurance**, Subparagraph b. **Excess Insurance**:

The insurance provided by this provision, **Newly Formed or Acquired Organizations**, is excess over any other insurance available to the insured, whether primary, excess, contingent or on any other basis.

(All other provisions of this section remain unchanged).

Blanket Additional Insureds - As Required By Contract

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization whom you have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury" or "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your ongoing operations, "your product", or premises owned or used by you; however this provision does not include any architects, engineers, or surveyors with respect to any injury or damage arising out of the rendering or failure to render any professional services by or for you, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and

- b. Supervisory, inspection, architectural or engineering activities.
2. Your maintenance, operation or use of equipment, other than aircraft, "auto" or watercraft, rented or leased to you by such person or organization. A person or organization's status as an additional insured under this endorsement ends when their contract, or agreement with you for such rented or leased equipment ends. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the rental agreement or equipment lease expires.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Broad Form Vendors Coverage

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) whom you have agreed in a written contract or written agreement to add as an additional insured on your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, however the insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement; however this exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product; or

- f. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part of ingredient of any other thing or substance by or for the vendor; however this insurance does not apply to any insured person or organization, from who you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been executed (executed means signed by the named insured) prior to the "bodily injury" or "property damage".

Incidental Malpractice

Subparagraph **2.a.(1)(d)** under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- (d) Arising out of his or her providing or failing to provide professional health care services. This does not apply to nurses, emergency medical technicians or paramedics, if you are not in the business or occupation of providing any such professional services.

"Golfing Facilities" - Golf or Tennis Pros

The following is added to **SECTION II - WHO IS AN INSURED**:

If you operate a "golfing facility", any golf or tennis pros are additional insureds. Golf or tennis pros means any person, other than your "employees", whose primary responsibilities include golf or tennis instruction or operation of a golf or tennis pro shop, however only with respect to their liability for your activities, or activities they perform on your behalf, or their liability for the maintenance, use or operation of golf or tennis pro shop premises you rent or lease to them.

SECTION III - LIMITS OF INSURANCE

Increased Medical Payments

Paragraph **7.** under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

- 7. Subject to Paragraph **5.** above, the Medical Expense Limit under **COVERAGE C** will be \$15,000, or the amount shown in the Declarations for Medical Expense Limit, whichever is higher, for all medical expenses because of "bodily injury" sustained by any one person.

This provision, **Increased Medical Payments**, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS - Amendments

Knowledge Of Occurrence, Claim, Suit Or Loss

The following is added to Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The requirements under this paragraph do not apply until after the "occurrence" or offense is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An "executive officer" or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company; or
5. Your elected or appointed officials, trustees, board members, or your insurance manager if you are an organization other than a partnership, joint venture, or limited liability company.

Primary and Non-Contributory Provision

The following is added to Paragraph 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance shall be excess with respect to any person or organization included as an additional insured under this policy, any other insurance that person or organization has shall be primary with respect to this insurance, unless:

- (1) The additional insured is a Named Insured under such other insurance;
- (2) You have agreed in a written contract, written agreement or written permit to include that additional insured on your General Liability policy on a primary and/or non-contributory basis; and
- (3) The written contract or written agreement has been executed (executed means signed by the named insured) or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Unintentional Failure To Disclose Hazards

The following is added to Paragraph 6. **Representations** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

However, if you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure to disclose hazards.

Waiver Of Transfer Of Rights Of Recovery

The following is added to Paragraph 8. **Transfer of Rights Of Recovery Against Others To Us** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

We will waive any right of recovery we may have against a person or organization because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or "your work" done under a written contract or written agreement and included in the "products-completed operations hazard", if:

1. You have agreed to waive any right of recovery against that person or organization in a written contract or written agreement;
2. Such person or organization is an additional insured on your policy; or
3. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract".

The section above only applies to that person or organization identified above, and only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement.

If you are a "golfing facility", we will also waive any right of recovery we may have against any of your members or their guests because of payments we make for "bodily injury" or "property damage" arising out of their actions at your premises to which this Coverage Part applies. However, this provision does not apply to "bodily injury" or "property damage" that is expected or intended by your member or their guest.

Liberalization

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If we revise this Coverage Part to provide more coverage without additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

SECTION V - DEFINITIONS

Discrimination And Humiliation

(This provision does not apply in New York).

- A. The following is added to Definition 14. "Personal and advertising injury":

"Personal and advertising injury" also means "discrimination" or humiliation that results in injury to the feelings or reputation of a natural person, however only if such "discrimination" or humiliation is:

1. Not done by or at the direction of:
 - a. The insured; or
 - b. Any "executive officer" director, stockholder, partner, manager or member of the insured;
2. Not done intentionally to cause harm to another person.
3. Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.
4. Not arising out of any "advertisement" by the insured.

B. The following definition is added to SECTION V - DEFINITIONS:

"Discrimination" means:

- a. Any act or conduct that would be considered discrimination under any applicable federal, state, or local statute, ordinance or law;
- b. Any act or conduct that results in disparate treatment of, or has disparate impact on, a person, because of that person's race, religion, gender, sexual orientation, age, disability or physical impairment; or
- c. Any act or conduct characterized or interpreted as discrimination by a person based on that person's race, religion, gender, sexual orientation, age, disability or physical impairment.

Electronic Data

The following definition is added to **SECTION V - DEFINITIONS:**

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cell, data processing devices or any other media which are used with electronically controlled equipment.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, Definition 17. "Property damage" is deleted in its entirety and replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, "electronic data" is not tangible property.

Employee Amendment

Definition 5. "Employee" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced by the following:

5. "Employee" includes a "leased worker", or a "temporary worker".

Golfing Facility

The following definition is added to **SECTION V - DEFINITIONS:**

"Golfing facility" or "golfing facilities" means a golf course, golf club, driving range, or miniature golf course.

Mental Anguish Amendment

(This provision does not apply in New York).

Definition 3. "Bodily injury" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. This includes mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury").

Not-for-profit Member

The following definition is added to **SECTION V - DEFINITIONS:**

"Not-for-profit member" means a person who is a member of a not-for-profit organization, including clubs and churches, who receive no financial or other compensation.

LAWN CARE SERVICES COVERAGE

COMMERCIAL GENERAL LIABILITY
CG 79 32 07 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph **(1)(d)** of Exclusion **f.** under **Section I — Coverage A — Bodily Injury and Property Damage Liability** does not apply to the application of herbicides or pesticides, by an insured on lawns under your regular care, for which the insured is not required to obtain a license or permit to apply.

**LIMITED "PROPERTY DAMAGE"
CARE, CUSTODY AND CONTROL
EXTENSION ENDORSEMENT
Basic Form
(Including Coverage For Lost Keys)**

COMMERCIAL GENERAL LIABILITY
CG 79 33 06 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Limited "Property Damage" Care, Custody and Control Extension

Limits of Insurance

Occurrence Limit - Personal Property	\$2,500	
Occurrence Limit - Real Property	\$2,500	
Aggregate Limit	\$5,000	
Deductible	\$500	Each "Occurrence"

Limited Coverage Extension

The limited coverage extension provided by this Endorsement is subject to the Limits of Insurance contained in the Schedule above, and as further explained in the section entitled **Limits Of Insurance**, set forth below.

Except as modified by this Endorsement, all other terms, conditions, exclusions and definitions contained in the Commercial General Liability Coverage Part apply.

If this insurance applies, and subject to the Limited Coverage Extension Exclusions, below, we will pay at your request and irrespective of the fault of any insured, for "property damage" to:

1. Property loaned to you by anyone other than an insured;
2. Personal property, including keys, in the care, custody or control of an insured; or
3. Real property on which you or any subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations.

Additional Definitions

As used in this endorsement, "property damage" also includes:

1. Loss or damage of tangible property resulting from burglary, robbery, theft or mysterious disappearance; or
2. Adjustment of locks to fit new keys or the cost and installation of new locks when replacing keys covered under Limited Coverage Extension Item 2. above;

Provided that such "property damage" is not a result of any dishonest act on the part of any insured, his employees or agents, whether acting alone or in collusion.

Limited Coverage Extension Exclusion

With respect to this coverage extension only, Exclusion j. relating to damage to property, is replaced by the following:

This insurance does not apply to:

1. Property you own, rent or occupy, other than property you rent or occupy on a temporary basis only for:
 - a. A trade show or exhibit;

- b. A training or educational seminar; or
 - c. Storage of your equipment or supplies for a period of less than seven days.
2. Personal property in the care, custody or control of an insured:
- a. While such property is on premises you own, rent, or occupy for the purpose of sale, storage, safekeeping, repair or having work performed on it; or
 - b. If such property is either a tool(s) or equipment that is being used by the insured.
3. Any "property damage" arising out of the "products-completed operations hazard."

Limits Of Insurance

1. The Limits of Insurance shown in the Schedule above fixes the most we will pay regardless of the number of:
- a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
2. Our obligation to pay damages on your behalf pursuant to this Endorsement applies only to the amount of damages in excess of the deductible shown in the Schedule, above. The deductible amount applies to all damages because of "property damage" arising from one "occurrence." The terms of this insurance, including those with respect to:
- a. Our right and duty to defend "suits" seeking damages; and
 - b. Your duties in the event of an "occurrence," claim or "suit"

apply irrespective of the application of the deductible amount. We may pay any part or the entire deductible amount to effectuate the settlement of any claim or "suit." Upon such payment, you shall promptly reimburse us the deductible amount that has been paid on your behalf by us.

3. The Limited "Property Damage" Care, Custody and Control Extension Aggregate Limit is the most we will pay under this Endorsement for the sum of:
- a. Damages under Personal Property Coverage; and
 - b. Damages under Real Property Coverage.
4. Subject to 3. above, the Limited "Property Damage" Care, Custody and Control Extension Occurrence Limit - Personal Property is the most we will pay under this endorsement for the sum of all "property damage" to personal property arising out of any one "occurrence."
5. Subject to 3. above, the Limited "Property Damage" Care, Custody and Control Extension Occurrence Limit - Real Property is the most we will pay under this endorsement for the sum of all "property damage" to real property arising out of any one "occurrence."
6. In the event of a claim that is covered by this Endorsement, we may request that you replace the property or furnish the labor and materials necessary for repairs thereto at the actual cost to you: excluding prospective profit or overhead charges of any nature. You may refuse that request. Any property paid for or replaced under this endorsement shall, at our option, become our property.
7. Payment made pursuant to the terms of this Endorsement shall not constitute an admission of either your legal liability or ours, except as provided by the terms of this Endorsement.

Previous Policy Number
S 1612082

Policy Number
S 1612082

BUSINESS AUTOMOBILE COVERAGE DECLARATION

Policy Effective Date: JULY 6, 2016	Coverage Effective Date: JULY 6, 2016
Business of Named Insured: LANDSCAPER	

Item Two - SCHEDULE OF COVERAGES AND COVERED AUTOS. This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

Coverage Schedule

Coverages	Covered Autos Symbols	Limit The Most We Will Pay For Any One Accident or Loss	Premium
Liability	7,8,9	\$1,000,000 CSL	\$2,669.00
Personal Injury Protection (or First Party Benefits)		Separately stated in each P.I.P. Endorsement.	
Added Personal Injury Protection (or Added First Party Benefits)		Separately stated in each P.I.P. Added Endorsement	
Auto Medical Payments	7	\$1,000	\$9.00
Uninsured Motorists	7	\$1,000,000 CSL	\$378.00
Underinsured Motorists			
Physical Damage Comprehensive Coverage	7	Actual Cash Value or Cost of Repair, whichever is less minus any applicable deductible shown on the Auto Schedule for Each Covered Auto for all Loss except Fire or Lightning.	\$220.00
Physical Damage Specified Causes of Loss Coverage	7	Actual Cash Value or Cost of Repair, whichever is less minus \$25 deductible for Each Covered Auto for Loss caused by Mischief or Vandalism.	
Physical Damage Collision Coverage	7	Actual Cash Value or Cost of Repair, whichever is less minus the applicable deductible shown on the Auto Schedule for Each Covered Auto.	
Physical Damage Towing and Labor Coverage		for Each Disablement of a Private Passenger Auto.	
Hired Auto and Non-Owned Auto Coverage			INCL.

Auto Schedule

No.	Trade Name	Year	Body Type Truck Size	Vehicle Id. No. (VIN)	Size Class	Use / Class / Radius Code	List Symbol	Purchased by Insured		Cost
NC 1	CSL	93	TRAILER	1993CSL00612X0189		681890/L				
NC 2	HUDS	90	TRAILER	10HHSE141L1000203		681890/L				
NC 3	HOME	96	TRAILER	NCX81843800000000		681890/L				
NC 4	FORD	99	F350 SUPER	1FDWF36F4XED35454	M	S/211890/L				\$18,000
NC 5	FORD	89	F250	1FTHF25M2KNA03920	L	S/011890/L				\$18,500
NC 6	FORD	95	F SUPER DU	1FDLF47F0SEA54347	M	S/211890/L				\$20,699
NC 7	FORD	87	F250	1FTHX2615HKA79272	L	S/011890/L				

No.	Terr.	Liability Insurance Premium	P.I.P. or F.P.B.	Add. P.I.P. or F.P.B.	Med. Paymts. Prem.	Um & Uim Motorists Premium	Physical Damage Insurance					Towing Prem.
							Comprehensive		Specified Causes of Loss	Collision		
							Ded.	Prem.		Ded.	Prem.	
NC	1	022	79.00		3							
NC	2	022	79.00		3							
NC	3	022	79.00		3							
NC	4	022	.00				250	64				
NC	5	022	722.00			124	250	87				
NC	6	022	760.00			127	250	69				
NC	7	022	722.00			127						

Totals \$	2,441.00	9	378	220
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Items Three - Schedule of Covered Autos You Own (see Auto Schedule) - Loss Payees Subject to Loss Payable Clause:

Vehicle No. Name and Address of Loss Payee

Forms and Endorsements:

Refer to "Commercial Policy Forms and Endorsement Schedule"

Case 3:20-cv-00207-RJC-DCK Document 1-1 Filed 04/03/20

Total Premium

\$3,342.00

(This premium may be subject to adjustment.)

BUSINESS AUTOMOBILE COVERAGE DECLARATION (Continued)

Policy Effective Date: JULY 6, 2016	Coverage Effective Date: JULY 6, 2016
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Item Four – Schedules of Hired or Borrowed Covered Auto Coverage and Premiums. Liability Insurance – Rating Basis, Cost of Hire				
State	Estimated Cost of Hire for Each State	Rate per Each \$100 Cost of Hire	Minimum Premium	P r e m i u m
NORTH CAROLINA	IF ANY	1.175	\$80.00	\$80.00
Total Premium				\$80.00

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners, employees or their family members). Cost of hire does not include charges for service performed by motor carriers of property or passengers.

Physical Damage Coverage

Coverages	L i m i t o f I n s u r a n c e	Estimated Annual Cost of Hire	Rate per Each \$100 Annual Cost of Hire	P r e m i u m
Comprehensive	Actual Cash Value, Cost of Repairs or Whichever is Less Minus Ded. for Each Covered Auto For all Loss Except Fire or Lightning.			
Specified Causes of Loss	Actual Cash Value, Cost of Repairs or Whichever is Less Minus \$ 25 Ded. for Each Covered Auto For all Loss caused by Mischief or Vandalism			
Collision	Actual Cash Value, Cost of Repairs or Whichever is Less Minus Ded. for Each Covered Auto			
Total Premium				

PHYSICAL DAMAGE INSURANCE applies on a direct primary basis and for purposes of the condition entitled OTHER INSURANCE, any covered "auto" you hire or borrow is deemed to be a covered "auto" you own.

Item Five – Schedule for Non-Ownership Liability			
Named Insured's Business	R a t i n g B a s i s	N u m b e r	P r e m i u m
Other than a Social Service Agency	Number of Employees	0 - 25	\$148.00
	Number of Partners		
Social Service Agency	Number of Employees		
	Number of Volunteers		
Total Premium			\$148.00

Item Six – Schedule for Gross Receipts or Mileage Basis – Liability Insurance – Public Auto or Leasing Rental Concerns -				
Estimated Yearly	R a t e s		P r e m i u m s	
	Liability Insurance	Auto Medical Payments	Liability Insurance	Auto Medical Payments
Total Premiums				

CA-7058 (02/92)

NORTH CAROLINA UNINSURED MOTORISTS COVERAGE

POLICY NUMBER: S 1612082

COMMERCIAL AUTO
CA 21 16 04 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For a covered "auto" licensed or garaged in, or "garage operations" conducted in, North Carolina, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Limit Of Insurance: \$1,000,000

Each "Accident"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "uninsured motor vehicle" in this endorsement applies in its entirety unless an "X" is entered below:

☐ If an "X" is entered in this box, Paragraph **b.** of the definition of "uninsured motor vehicle" does not apply.

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of:

- a. An "uninsured motor vehicle" because of "bodily injury" sustained by the "insured" and caused by an "accident"; and
- b. An "uninsured motor vehicle", as defined in Paragraphs **a.** and **c.** of the definition of "uninsured motor vehicle", because of "property damage" caused by an "accident".

The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".

2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", we will pay under this coverage only if Paragraph **a.** or **b.** below applies:

a. The limits of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or

b. A tentative settlement has been made between an "insured" and the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" and we:

(1) Have been given prompt written notice of such tentative settlement; and

(2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. Any judgment for damages arising out of a "suit" brought without sending us a copy of the summons, complaint or other process against an uninsured motorist is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
 - c. The Named Insured for "property damage" only.

C. Exclusions

This coverage does not apply to:

1. Any claim settled by the "insured" or any legal representative of the "insured" without our consent. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" in accordance with the procedure described in Paragraph **A.2.b.**
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. The direct or indirect benefit of any insurer of property.
4. An "auto" or property contained in the "auto" other than a covered "auto".
5. The first \$100 of the amount of "property damage" to the property of each "insured" as the result of any one "accident".
6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
7. Punitive or exemplary damages.

8. "Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured Motorists Coverage shown in the Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Liability Coverage Form or Medical Payments Coverage Endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law exclusive of non-occupational disability benefits.

E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

1. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy providing coverage on either a primary or excess basis.

- b. Any insurance we provide with respect to a vehicle:

- (1) The Named Insured does not own; or
- (2) Owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Uninsured Motorists Coverage under this coverage form;

shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.

- c. If the coverage under this coverage form is provided:

- (1) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

2. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved.
- b. Promptly send us copies of the legal papers if a "suit" is brought. A "suit" may not be brought against anyone legally responsible for the use of any "auto" involved in the "accident" until 60 days after an "insured" notifies us or our agent of his or her belief that the prospective defendant is an uninsured motorist.
- c. Any person who intends to pursue recovery against the owner or operator of an "uninsured motor vehicle", as described in Paragraph **b.** of the definition of "uninsured motor vehicle", for damages beyond those paid or payable under this policy shall give us:
 - (1) Notice of such intent; and
 - (2) The opportunity to participate, at our expense, in the prosecution of such claim.

- d. A person seeking coverage from an insurer, owner or operator of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" must also promptly notify us in writing of a tentative settlement between the "insured" and the insurer and allow us to advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of such vehicle.

3. Transfer Of Rights Of Recovery Against Others To Us is changed as follows:

- a. If we make any payment on the Named Insured's behalf, we are entitled to recover what we paid from other parties. The Named Insured must transfer rights of recovery against others to us. The Named Insured must do everything necessary to secure these rights and do nothing to jeopardize them.

However, our rights under this paragraph do not apply with respect to vehicles described in Paragraphs **F.4.a., c. and d.** of the definition of "uninsured motor vehicle". For these vehicles, if we make any payment and the Named Insured recovers from another party, that Named Insured must hold the proceeds in trust for us and pay us back the amounts we have paid.

- b. Our rights do not apply under this provision with respect to damages caused by an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" if we:

- (1) Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle"; and
- (2) Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- (1) That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motor Vehicle Coverage; and
- (2) We also have a right to recover the advanced payment.

4. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. The "insured" may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.
- c. If the "insured" elects not to arbitrate, our liability will be determined only in an action against us. In any action against us, except an action to determine whether a vehicle is an "uninsured motor vehicle", we may require the "insured" to join the owner or driver of the vehicle as a party defendant.

If the "insured" elects arbitration to determine the amount of "property damage", then the **Appraisal For Property Damage** Condition does not apply.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury to or destruction of the property of an "insured".
4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which neither a bond or policy nor cash or securities on file with the North Carolina Commissioner of Motor Vehicles provides at least the amounts required by the North Carolina Motor Vehicle Safety and Responsibility Act.

- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which the sum of all bodily injury liability bonds or policies at the time of an "accident" provides at least the amounts required by the North Carolina Motor Vehicle Safety and Responsibility Act, but their limits are either:

- (1) Less than the limits of underinsured motorists coverage applicable to a covered "auto" that the Named Insured owns involved in the "accident";
- (2) Less than the limits of this coverage, if a covered "auto" that the Named Insured owns is not involved in the "accident"; or
- (3) Reduced by payments to others injured in the "accident" to an amount which is less than the Limit of Insurance for this coverage.

However, an underinsured motor vehicle does not include a "covered auto" unless the limit of Uninsured Motorists Coverage shown in the Declarations or Schedule is greater than the Limit Of Insurance for Liability Coverage shown in the Declarations of this policy.

- c. For which the insuring or bonding company denies coverage or is or becomes insolvent.
- d. That is a hit-and-run vehicle causing "bodily injury" to an "insured" and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying".

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law.
- b. Owned by:
 - (1) The United States of America;
 - (2) Canada;
 - (3) A state; or
 - (4) An agency, except vehicles owned by political subdivisions of (1), (2) or (3) above.
- c. Designed for use mainly off public roads while not on public roads.

BUSINESS AUTO COVERAGE FORM

COMMERCIAL AUTO
CA 00 01 03 10

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V — DEFINITIONS**.

SECTION I — COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II — LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".
This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
 - (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III — PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:
 - a. **Comprehensive Coverage**

From any cause except:

 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
 - d. Any accessories used with the electronic equipment described in Paragraph c. above.
5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:
 - a. Permanently installed in or upon the covered "auto";
 - b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
 - c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
 - d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.
6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

2. \$1,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:
 - a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
 - b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
 - c. An integral part of such equipment.
3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV — BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:
 - (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
 - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
 - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
 - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this coverage form until:

- a. There has been full compliance with all the terms of this coverage form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation Or Fraud

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This coverage form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

- a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:
 - (1) Excess while it is connected to a motor vehicle you do not own.
 - (2) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this coverage form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:
 - (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this coverage form.

SECTION V — DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";

- (2) Otherwise in the course of transit by or on behalf of the "insured"; or

- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H. "Insured contract" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

- I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

- J. "Loss" means direct and accidental loss or damage.

- K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- M. "Property damage" means damage to or loss of use of tangible property.

- N. "Suit" means a civil proceeding in which:

- 1. Damages because of "bodily injury" or "property damage"; or
- 2. A "covered pollution cost or expense"; to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- P. "Trailer" includes semitrailer.

NORTH CAROLINA CHANGES

COMMERCIAL AUTO
CA 01 26 07 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, North Carolina, the policy is changed as follows:

A. Changes In Liability Coverage

1. The Limit of Insurance applies except that we will apply the limit shown in the Declarations to first provide the separate limits required by North Carolina law as follows:
 - a. \$30,000 for "bodily injury" to any one person caused by any one "accident";
 - b. \$60,000 for "bodily injury" to two or more persons caused by any one "accident"; and
 - c. \$25,000 for "property damage" caused by any one "accident".

This provision will not change the Limit of Insurance.

2. If the policy provides Liability Coverage only for owned "autos", a temporary substitute for one of these will also be considered a covered "auto", subject to the following provisions:
 - a. The owned "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
 - b. The temporary substitute must be owned by someone other than you or a member of your household.
 - c. The temporary substitute must be with the permission of the owner.
 - d. The Liability Coverage for the temporary substitute is excess over any other collectible insurance.

B. Changes In Physical Damage Coverage

Paragraph **A.3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles** is replaced by the following:

Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by covered "auto's" collision or overturn and "loss" caused by hitting a bird or animal considered a "loss" under Collision Coverage.

C. Changes In Uninsured Motorists Coverage

The Limit of Insurance applies except that we will apply the limit shown in the Declarations to first provide the separate limits required by North Carolina Law as follows:

1. \$30,000 for "bodily injury" to any one person caused by any one "accident";
2. \$60,000 for "bodily injury" to two or more persons caused by any one "accident"; and
3. \$25,000 for "property damage" caused by any one "accident".

This provision will not change the total Limit of Insurance.

D. Auto Medical Payments Coverage

Exclusion **C.5.** of Auto Medical Payments Coverage, relating to "bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos", applies only if workers' compensation benefits are available.

E. Changes In Garagekeepers Coverage

If the policy provides Garagekeepers Coverage, any deductible will apply only to the amount of "loss" and will not reduce the Limit of Insurance.

F. Changes In Conditions

1. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

We may cancel any type or limit of coverage provided by this policy to the extent that it cannot be ceded to the North Carolina Reinsurance Facility as follows:

a. If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1)** 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

b. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1)** Expiration of the policy term; or
- (2)** Anniversary date;

stated in the policy only for one or more of the following reasons:

- (a)** Nonpayment of premium. Cancellation for nonpayment of premium is not effective if the amount due is paid before the effective date set forth in the notice of cancellation.
- (b)** An act or omission by the "insured" or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy, or presenting a claim under this policy.

- (c)** Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk.
- (d)** Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk.
- (e)** A fraudulent act against us by the "insured" or his or her representative that materially affects the insurability of the risk.
- (f)** Willful failure by the "insured" or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us.
- (g)** Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30.
- (h)** Conviction of the "insured" of a crime arising out of acts that materially affect the insurability of the risk.
- (i)** A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina.
- (j)** You fail to meet the requirements contained in our corporate charter, articles of incorporation, or bylaws, when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We may cancel any type or limit of coverage provided by the policy to the extent that it can be ceded to the North Carolina Reinsurance Facility only for one or more of the following reasons by mailing to the first Named Insured at least 15 days' notice at the last address known to us:

- (1)** Nonpayment of premium.
- (2)** You become a nonresident of North Carolina and are not otherwise entitled to insurance through the Reinsurance Facility.

- (3) Our contract with the agent through whom this policy is written is terminated for reasons other than the quality of the agent's "insureds".
- (4) This policy is cancelled pursuant to a power of attorney given a company licensed according to the provisions of G.S. 58-56.

To the extent that any type or limit of coverage provided by this policy cannot be ceded to the North Carolina Reinsurance facility, the following provisions are added and supersede any other provisions to the contrary:

G. Nonrenewal

1. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:
 - a. Expiration of the policy if it has been written for one year or less; or
 - b. Anniversary date if it is a continuous policy or has been written for more than one year or for an indefinite term.
2. We need not mail or deliver the notice of nonrenewal if you have:
 - a. Insured property covered under this policy under any other insurance policy;
 - b. Accepted replacement coverage; or
 - c. Requested or agreed to nonrenewal of this policy.
3. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. The written notice of cancellation or nonrenewal will:
 - a. Be mailed or delivered to the first Named Insured and any designated loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
 - b. State the reason or reasons for cancellation or nonrenewal.

To the extent that any type or limit of coverage provided by this policy can be ceded to the North Carolina Reinsurance Facility, the following provision is added and supersedes any other provision to the contrary:

H. Nonrenewal

We may nonrenew this policy only for one or more of the following reasons:

1. Nonpayment of premium.

2. You become a nonresident of North Carolina and are not otherwise entitled to insurance through the Reinsurance Facility.
3. Our contract with the agent through whom this policy is written is terminated for reasons other than the quality of the agent's "insureds".
4. This policy is cancelled pursuant to a power of attorney given a company licensed according to the provisions of G.S. 58-56.
5. You fail to meet the requirements contained in our corporate charter, articles of incorporation, or bylaws, when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

- I. **Common Policy Condition B. Changes** is changed to read as follows:

This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium for that change as of the effective date of change. If we revise this policy form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

- J. **Loss Condition 1. Appraisal For Physical Damage Loss** is replaced by the following:

Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision, in writing, agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

K. Appraisal For Property Damage

In the event of an "accident":

1. If the claimant and we fail to agree as to the difference in fair market value of the motor vehicle immediately before and immediately after the "accident" and the difference in the claimant's and our estimate of the diminution in fair market value of the vehicle is greater than two thousand dollars (\$2,000) or twenty-five percent (25%) of the fair market retail value of the vehicle prior to the "accident" as determined by the latest edition of the National Automobile Dealers Association Pricing Guide Book or other publications approved by the Commissioner of Insurance, whichever is less; and
2. Coverage for the liability claim is not in dispute;

then on the written demand of either the claimant or us, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days after the demand.

Should the appraisers fail to agree, they shall then select a competent and disinterested appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire within 15 days, either the claimant or we may request that a magistrate resident in the county where the insured motor vehicle is registered or the county where the "accident" occurred select the umpire.

The umpire then shall prepare a report determining the amount of "property damage" and shall file the report with us and the claimant.

The claimant or we shall have 15 days from the filing of the report to reject the report and notify the other party of such rejection. If the report is not rejected within 15 days from the filing of the report, the report shall be binding upon both the claimant and us.

Each appraiser shall be paid by the party selecting the appraiser, and the expenses of appraisal and umpire shall be paid by the parties equally.

If either party elects to have an appraisal to determine the amount of "property damage", then the amount of "property damage" cannot be decided through arbitration.

L. Changes In General Conditions

Paragraph 2. of the **Concealment, Misrepresentation Or Fraud** General Condition is amended by the addition of the following:

This condition does not apply for coverage up to the minimum limits of liability required by the North Carolina Financial Responsibility Act of 1957.

EXCLUSION OF FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS

COMMERCIAL AUTO
CA 04 42 03 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following are not "insureds" under **SECTION II — LIABILITY COVERAGE:**

- A.** The United States of America or any of its agencies.
- B.** Any United States Government "employee", including you, for "bodily injury" or "property damage" resulting from the operation of an "auto", if:
 - 1.** The "bodily injury" or "property damage" results while the "employee" is acting as an "employee"; and

- 2.** The Federal Tort Claims Act requires the U.S. Attorney General to defend the "employee" in any civil action or proceeding that may be brought for the "bodily injury" or "property damage".

EMPLOYEE HIRED AUTOS

COMMERCIAL AUTO
CA 20 54 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Liability Coverage

The following is added to the **Who Is An Insured** Provision:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

C. Changes In General Conditions

Paragraph **5.b.** of the **Other Insurance** Condition in the Business Auto, Business Auto Physical Damage and Garage Coverage Forms Paragraph **5.d.** of the **Other Insurance — Primary And Excess Insurance Provisions** Condition in the Truckers Coverage Form and Paragraph **5.f** of the **Other Insurance — Primary and Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and
2. Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

AUTO LOAN/LEASE GAP COVERAGE

POLICY NUMBER:

COMMERCIAL AUTO
CA 20 71 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:
Named Insured:	

(Authorized Representative)

SCHEDULE

Vehicle No.	Description Of Loan/Lease "Auto(s)" Which Are Covered "Autos"	Other Than Collision Additional Premium	Collision Additional Premium
	All Covered "Autos" Of The Named Insured That Are Financed Pursuant To A Vehicle Loan Agreement		

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The **Physical Damage Coverage** Section is amended by the addition of the following:

In the event of a total "loss" to a covered "auto" shown in the Schedule or Declarations for which a specific premium charge indicates that Auto Loan/Lease GAP Coverage applies, we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

1. The amount paid under the Physical Damage Coverage Section of the policy; and
2. Any:
 - a. Overdue lease/loan payments at the time of the "loss";

- b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
- c. Security deposits not returned by the lessor;
- d. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
- e. Carry-over balances from previous loans or leases.

PHYSICAL DAMAGE COVERAGE

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

This endorsement amends PHYSICAL DAMAGE COVERAGE section of the above coverage form, effective on the inception date of the policy or as indicated above, by adding the following paragraph:

"At your option, for glass losses only, any Comprehensive Coverage deductible shown in the declarations will not apply if the glass is satisfactorily repaired rather than replaced.

However, will not waive this deductible if it is equal to or greater than the replacement cost of the glass."

ELITEPAC COMMERCIAL AUTOMOBILE EXTENSION

COMMERCIAL AUTO
CA 77 35 02 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Supplemental Schedule is provided when the BUSINESS AUTO COVERAGE FORM includes the Commercial Automobile Extension endorsement **CA 77 35**. This Schedule supplements the Business Auto Declarations.

EXTENSIONS OF COVERAGE AND ADDITIONAL COVERAGES

DESCRIPTION

Limited Liability Companies	Coverage Extension
Newly Acquired Or Formed Organizations	Coverage Extension
Employees - Non-Ownership	Coverage Extension
Non-Ownership Extension - Public Entities	Coverage Extension
Blanket Additional Insureds	Coverage Extension
Expenses For Bail Bonds And Loss Of Earnings	
Bail Bonds	\$3,000 Limit of Insurance
Loss Of Earnings	\$1,000 Per Day Limit of Insurance
Employer's Liability Amendment	Coverage Extension
Fellow Employee Amendment	Coverage Extension
Care, Custody Or Control Amendment	Coverage Extension
Towing And Labor	Coverage Extension
Glass Breakage	Coverage Extension
Hired Car Physical Damage Coverage	Coverage Extension
Auto Loan/Lease Gap Coverage	Coverage Extension
Personal Effects	\$500 Limit of Insurance
Deductible Reimbursement - Public Entities	Coverage Extension
Additional Transportation Expenses	\$60 per disablement up to a maximum \$1,900 Limit of Insurance
Airbag Coverage	Coverage Extension
Expanded Audio, Visual, And Data Electronic Equipment	Coverage Extension

DESCRIPTION

Limit Of Insurance	Coverage Extension
Physical Damage Deductible - (Radio Frequency) Vehicle Tracking System	Coverage Extension
Limit Of Insurance	Coverage Extension
Multiple Deductibles	Coverage Extension
Duties In The Event Of Accident, Claim, Suit Or Loss	Coverage Extension
Waiver Of Subrogation	Coverage Extension
Concealment, Misrepresentation Or Fraud	Coverage Extension
Policy Period, Coverage Territory	Coverage Extension
Two Or More Coverage Forms Or Policies Issued By Us	Coverage Extension
Mental Anguish	Definition
Permanently Attached Equipment	Definition
Volunteer Worker	Definition

ELITEPAC COMMERCIAL AUTOMOBILE EXTENSION

COMMERCIAL AUTO
CA 77 35 02 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Business Auto Coverage Form apply unless modified by the endorsement.

Amendments to **SECTION II — LIABILITY COVERAGE**

Limited Liability Companies

The following is added to **SECTION II, A. 1. — Who Is An Insured**:

- d. If you are a limited liability company, you are an Insured for any covered "auto." The provisions of **WHO IS AN INSURED** applicable to anyone else using a covered "auto" you own, hire or borrow, also apply to limited liability companies. Your members and managers are also "insureds" while using a covered "auto" you don't own, hire or borrow during the course of their duties for you. But, members or managers are not an insured for any covered "autos" owned by them or members of their household.

Newly Acquired Or Formed Organizations

The following is added to **SECTION II, A. 1. — Who Is An Insured**:

- e. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no similar insurance available to that organization. However:
 - 1. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - 2. Coverage does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization.

No person or organization is an "insured" with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

Employees - Non-Ownership

The following is added to **SECTION II, A. 1. — Who Is An Insured**:

- f. Any employee of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

Non-Ownership Extension - Public Entities

The following is added to **SECTION II, A. 1. — Who Is An Insured**:

- g. Any board member or other elected or appointed official, member of the administrative staff, student teacher or other authorized volunteer or member is an "insured" while using a covered "auto" you don't own, hire or borrow during the course of their duties for you as a School, Municipality or other Governmental Entity, or Emergency Services Organization. Anyone who supplies that "auto" is also an "insured."

Blanket Additional Insureds

The following is added to **SECTION II, A. 1. — Who Is An Insured**:

- h. Any person or organization with whom you agreed, because of a written contract, agreement or permit, to provide insurance such as is afforded under this Coverage Part, but only with respect to your ownership, maintenance or use of a covered "auto." This provision only applies if the written contract or agreement has been executed or permit issued prior to the "bodily injury" or "property damage."

This coverage shall be primary and not contributory with respect to the person or organization included as an "insured" under this section. Any other insurance that person or organization has shall be excess and not contributory with respect to this insurance, but this provision only applies if it is required in the written contract, agreement or permit identified in this section, and is permitted by law.

Expenses For Bail Bonds And Loss Of Earnings

The following modifies **SECTION II, A. 2. a. — Supplementary Payments:**

Paragraphs **(2)** and **(4)** of **SECTION II, A. 2. a. — Supplementary Payments** are deleted in their entirety and replaced with the following:

- (2)** We will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4)** We will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule all reasonable expenses incurred by the "insured" at our request, including actual loss of earnings because of time off from work.

Employer's Liability Amendment

The following is added to **SECTION II, B. 4. — Exclusions:**

- c.** This exclusion also does not apply to any "volunteer worker."

For Fire Companies, Ambulance Squads and Rescue Squads, the Employee Indemnification and Employer's Liability exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own, hire or borrow. But, this coverage extension is only provided to:

- 1.** Members of the "insured" Fire Company, Ambulance or Rescue Squad, while such member is operating within the scope of their official duties, with respect to claims made or suits brought against such member for injuries to a fellow member of the "insured" organization, or for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads; and
- 2.** The "insured" organization with respect to claims made or suits brought against the "insured" organization for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads.

Fellow Employee Amendment

The following is added to **SECTION II, B. 5. — Exclusions:**

For "insureds" Other Than Fire Companies, Ambulance Squads and Rescue Squads, the **Fellow Employee** exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

For Fire Companies, Ambulance Squads and Rescue Squads, the **Fellow Employee** exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own, hire or borrow. But, this coverage extension is only provided to:

- 1.** Members of the "insured" Fire Company, Ambulance or Rescue Squad, while such member is operating within the scope of their official duties, with respect to claims made or suits brought against such member for injuries to a fellow member of the "insured" organization, or for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads; and
- 2.** The "insured" organization with respect to claims made or suits brought against the "insured" organization for injuries to members of other Fire Companies, Ambulance Squads or Rescue Squads.

Care, Custody Or Control Amendment

The following is added to **SECTION II, B. 6. — Exclusions:**

The Care, Custody Or Control exclusion does not apply to property not owned by any insured, subject to the following:

- 1.** The most we will pay under this exception for any one accident is \$1,000; and
- 2.** A deductible of \$500 per accident applies to this exception.

Amendments to SECTION III — PHYSICAL DAMAGE COVERAGE

Towing And Labor

The following modifies **SECTION III, A. 2. — Towing**
SECTION III, A. 2. — Towing is deleted and replaced with the following:

We will pay all reasonable towing and labor costs up to \$75 each time a covered Private Passenger Type Vehicle, Social Service Van, Social Service Bus or Light Truck is disabled and up to \$150 per disablement for Medium Weight Trucks. For labor charges to be reimbursable however, the labor must be performed at the place of disablement.

Glass Breakage

The following is added to **SECTION III, A. 3. — Glass Breakage — Hitting A Bird Or Animal — Falling Objects:**

- d.** If damage to glass is repaired in lieu of being replaced, no deductible will apply for repair only.

Hired Car Physical Damage Coverage

The following is added to **SECTION III — PHYSICAL DAMAGE COVERAGE**, Paragraph **A. 4. Coverage Extensions**:

- c. If Comprehensive, Specified Causes of Loss or Collision coverage is provided by this policy, you may extend that coverage to apply to Physical Damage "loss" to hired "autos." We will provide coverage equal to the broadest coverage available to any covered "auto" shown in the Declarations. But, the most we will pay for "loss" to a hired "auto" in any one "accident" is the lesser of:
1. \$75,000; or
 2. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 3. The actual cost of repairing or replacing the damaged or stolen property with other property of like kind or quality. A part is of like kind and quality when it is of equal or better condition than the pre-accident part. We will use the original equipment from the manufacturer when:
 - (a) The operational safety of the vehicle might otherwise be impaired;
 - (b) Reasonable and diligent efforts to locate the appropriate rebuilt, aftermarket or used part have been unsuccessful;
 - (c) A new original equipment part of like kind and quality is available and will result in the lowest overall repair cost;
 - (d) For vehicles insured under policies written on or before December 31, 2003, the vehicle has been used no more than 15,000 miles unless the pre-accident condition warrants otherwise; or
 - (e) For vehicles insured under policies written on or after January 1, 2004, the vehicle has been used no more than 20,000 miles unless the pre-accident condition warrants otherwise.

For each hired "auto" our obligation to pay "loss" will be reduced by a deductible equal to the highest deductible applicable to any owned "auto" for that coverage. No deductible will be applied to "loss" caused by fire or lightning. We will also pay up to \$750 per "accident" for loss of use of the hired "auto" if it results from an "accident" for which you are legally liable. The lessor must suffer an actual financial "loss" for this coverage to apply.

Hired Car Physical Damage Coverage provided by this extension is excess over any other collectible insurance.

Auto Loan/Lease Gap Coverage

The following is added to **SECTION III, A. 4. — Coverage Extensions**:

- d. If a long-term leased "auto" is a covered "auto" for the Physical Damage Coverage applicable to a total "loss," and the lessor is an additional insured under this Coverage Part, we will pay the difference between amounts you owe the lessor under the lease terms and the amount of insurance paid the lessor for the total "loss" of the covered "auto" minus: any payments overdue at the time of the loss; any financial penalties imposed due to wear and tear, high mileage or similar charges; any security deposits not refunded by the lessor; any costs for credit life, health and accident, or disability insurance; any costs for extended warranties; or any carry over balances from previous leases or loans. You are responsible for the deductible applicable to the "loss" for the covered "auto."

Personal Effects

The following is added to of **SECTION III, A. 4. — Coverage Extensions**:

- e. If Comprehensive Coverage is provided on this coverage form for a covered "auto" you own and that covered "auto" is stolen, we will pay up to the Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule, without application of a deductible, for personal effects that are stolen with that covered "auto." Personal effects do not include jewelry, tools, money or securities. This coverage is excess over any other collectible insurance.

The Following is added to **SECTION III, A. 4. — Coverage Extensions**:

- f. If you are a Board of Education, Municipality or other Governmental Entity, or Volunteer Emergency Services Organization, we will pay up to \$1,000 or the amount of the deductible under any auto policy available to your volunteer or employee, whichever is less, for any "loss" described in this section to any "auto" owned or used by a volunteer or employee while en route to and during any official duty authorized by you. In no event will we pay for any "loss" under this Coverage to any "auto" owned, hired, or borrowed by your organization.

Additional Transportation Expenses

The following modifies **SECTION III, A. 4. a. — Transportation Expenses**

SECTION III, A. 4. a. — Transportation Expenses is deleted in its entirety and replaced with the following:

- a. We will pay up to the Maximum Limit of Insurance shown on the Commercial Automobile Extension Supplemental Schedule for temporary transportation expense incurred by you because of any "losses" to covered "autos," but only if the covered "autos" carry the coverages and meet the requirements described in 1. or 2. below:
1. We will pay the above temporary transportation expense for total theft of a covered "auto" if you carry either Comprehensive or Specified Causes of Loss Coverage. We will only pay for such expenses incurred during the period beginning 24 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."
2. For "loss" other than the total theft to a covered "auto" under Comprehensive Coverage or Specified Causes of Loss Coverage, or for any "loss" under Collision Coverage to a covered "auto." We will only pay for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the number of days reasonably required to repair or replace the covered "auto," or 30 days. This provision 2. of this Extension does not apply while there are spare or reserve "autos" available to you for your operations.

Airbag Coverage

The following is added to **SECTION III, B. 3. a. — Exclusions:**

However, this exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Expanded Audio, Visual, And Data Electronic Equipment

SECTION III, B. 4. — Exclusions does not apply to the following:

1. Global Positioning Systems; and
2. Equipment designed solely for the reproduction of sound and/or video, and accessories used with such equipment, provided such equipment is:
 - a. Permanently installed in the covered "auto" at the time of the loss;
 - b. Removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss";
 - c. Designed to be solely operated by use of the power from the "auto's" electrical system; or
 - d. Designed to be solely to be used in or upon the covered "auto."

Physical Damage Deductible - (Radio Frequency) Vehicle Tracking System

LIMIT OF INSURANCE

THE FOLLOWING MODIFIES SECTION III, C. — LIMITS OF INSURANCE

SECTION III, C. — LIMITS OF INSURANCE is deleted in its entirety and replaced with the following:

(This provision does not apply in New York.)

The most we will pay for a "loss" in any one "accident" is the lesser of:

1. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or
3. If you are a Municipality or other Governmental Entity, or an Emergency Services Organization:
 - a. The cost to replace the entire covered "auto" and its "permanently attached equipment", for covered "autos" designated in the schedule as being insured on either a stated amount or value guard basis as of the time of the "loss," with a comparable new "auto" and "permanently attached equipment" manufactured to current standards set by nationally recognized organizations such as, but not limited to, NFPA or the US Department of Transportation; but, the most we will pay under this paragraph for owned or leased "autos" you acquire after the policy begins and not described in the declarations is the least of items 1., 2., or 3.a. of this section; or
 - b. (This provision does not apply in New York.) The additional repair or replacement costs necessary to customize the damaged covered "auto" with permanently installed equipment of like kind and quality, without deduction for depreciation, if the "auto" is specifically outfitted for use by chiefs, captains, police, administrators and others in comparable positions and is scheduled, but the "auto" is not designated on the schedule as being insured on an agreed-value basis. We will also pay under this provision for the cost of installation onto a replacement "auto" if the covered "auto" is not repairable, and we will pay for property owned by "you" that is permanently installed in an "auto" not owned by you.

The following is added to **SECTION III, D. — Deductible:**

Any Comprehensive Coverage Deductible shown in the Declarations will be reduced by 50% for any "loss" caused by theft if the vehicle is equipped with a radio frequency tracking device and that device was the method of recovery of the vehicle

Amendments To **SECTION IV — BUSINESS AUTOMOBILE CONDITIONS**

Multiple Deductibles

The following is added to **SECTION IV, A. — Loss Conditions:**

6. If a Comprehensive or Specified Causes of Loss Coverage "loss" from one "accident" involves two or more "covered autos," only the highest deductible applicable to those coverages will be applied to the "accident," if the cause of the loss is covered for those vehicles. This provision only applies if you carry Comprehensive or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any "covered autos" for which you do not carry such coverage.

Duties In The Event Of Accident, Claim, Suit Or Loss

The following is added to **SECTION IV, A. 2. a. — Duties In The Event Of Accident, Claim, Suit Or Loss:**

The notice requirements for reporting "accident," claim, "suit" or "loss" information to us, including provisions related to the subsequent investigation of such, "accident", claim, "suit" or "loss" do not apply until the "accident", claim, "suit" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An executive officer or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company;
5. Your elected or appointed officials, trustees, board members, or your insurance manager, if you are an organization other than a partnership, joint venture, or limited liability company.

But, this section does not amend the provisions relating to notification of police, protection or examination of the property which was subject to the "loss".

Waiver Of Subrogation

The following modifies **SECTION IV, A. 5. — Transfer Of Rights Of Recovery Against Us To Others:**

SECTION IV, A. 5. — Transfer Of Rights Of Recovery Against Us To Others is deleted in its entirety and replaced with the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of a covered "auto" only when you have assumed liability for such "bodily injury" or "property damage" under "insured contract." In all other respects, if a person or organization to or from whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us.

Concealment, Misrepresentation Or Fraud

The following is added to **SECTION IV, B. 2. — Concealment, Misrepresentation Or Fraud:**

- e. If you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure.

Policy Period, Coverage Territory

The following modifies **SECTION IV, B. 7. — General Conditions:**

SECTION IV, B. 7. — Policy Period, Coverage Territory is modified as follows:

The definition of coverage territory is amended to include anywhere in the world for covered "autos" hired on a short term (30 days or less) basis. The "insured's" responsibility to pay damages must be determined in a "suit" brought in:

1. The United States of America;
2. The territories or possessions of the United States of America;
3. Puerto Rico; or
4. Canada; or

in a settlement we agree to.

Two Or More Coverage Forms Or Policies Issued By Us

The following modifies **SECTION IV, B. 8. — General Conditions:**

SECTION IV, B. 8. — Two Or More Coverage Forms Or Policies Issued By Us is deleted in its entirety and replaced with the following:

8. Two Or More Coverage Forms Or Policies Issued By Us

If a "loss" covered under this Coverage Part also involves a "loss" to other property from the same "accident," which is covered under a Commercial Property or Inland Marine Coverage Part issued by us or any member company of ours for you, only the highest deductible applicable to those coverages will be applied to the "accident".

Amendments to **SECTION V — DEFINITIONS**

The following is added to **SECTION V — DEFINITIONS**:

Q. Mental Anguish

(This provision does not apply in New York.) For jurisdictions other than New York, the definition of "bodily injury" is amended to include mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury.")

R. Permanently Attached Equipment

"Permanently attached equipment" means equipment that is welded, bolted, or permanently screwed to the dashboard, fire wall or body of the "auto". Equipment inserted on permanently installed side brackets with or without the use of setscrews or tension, or portable fire fighting and/or rescue related equipment, shall not be construed as "permanently attached equipment".

S. Volunteer Worker

"Volunteer worker" is a person who performs business duties for you, for no financial or other compensation.

LIMITED MOBILE EQUIPMENT COVERAGE

COMMERCIAL AUTO
CA 77 74 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

Except for those types of vehicles listed below, a vehicle within the "mobile equipment" definition under **SECTION V — DEFINITIONS** will be treated as an "auto" solely under **SECTION II — LIABILITY COVERAGE** but only to the extent the "mobile equipment": (1) is being driven under its own power, (2) is being driven in public rights of way, and (3) is subject to a compulsory insurance or financial responsibility law or other mandatory motor vehicle insurance law in the state where it is licensed or principally garaged. This endorsement applies regardless of any Covered Auto Designation Symbol shown in the Declarations solely with respect to the "mobile equipment" described in the foregoing sentence.

This endorsement does not provide coverage for any "mobile equipment" under **SECTION III — PHYSICAL DAMAGE COVERAGE** unless that "mobile equipment" is specifically scheduled as a covered "auto" and a premium charge is made for that "mobile equipment" as a covered "auto" in the Declarations.

Recreational vehicles, snowmobiles, ATVs, off-road motorcycles or any other similar type of vehicles or "mobile equipment" shall never be treated as an "auto" under this endorsement unless the vehicle is specifically scheduled as a covered "auto" and a premium charge is made for that vehicle as a covered "auto" in the Declarations.

If any other coverage part issued by Us or any of Our insurance company affiliates, applies or is deemed by the issuing company to apply to a loss which is also covered by this endorsement, only one coverage part that applies or is deemed by the issuing company to apply will respond to the loss and provide defense.

AUTO MEDICAL PAYMENTS COVERAGE

COMMERCIAL AUTO
CA 99 03 03 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.

3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance — Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

INDIVIDUAL NAMED INSURED

COMMERCIAL AUTO
CA 99 17 03 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual, the policy is changed as follows:

A. Changes In Liability Coverage

1. The Fellow Employee Exclusion does not apply to "bodily injury" to your or any "family member's" fellow "employees".

2. Personal Auto Coverage

If any "auto" you own of the "private passenger type" is a covered "auto" under Liability Coverage:

- a. The following is added to **Who Is An Insured**:

"Family members" are "insureds" for any covered "auto" you own of the "private passenger type" and any other "auto" described in Paragraph 2.b. of this endorsement.

- b. Any "auto" you don't own is a covered "auto" while being used by you or by any "family member" except:

- (1) Any "auto" owned by any "family members".
- (2) Any "auto" furnished or available for your or any "family member's" regular use.
- (3) Any "auto" used by you or by any of your "family members" while working in a business of selling, servicing, repairing or parking "autos".
- (4) Any "auto" other than an "auto" of the "private passenger type" used by you or any of your "family members" while working in any other business or occupation.

- c. The Pollution Exclusion and, if forming a part of the policy, the Nuclear Energy Liability Exclusion (Broad Form), does not apply to any covered "auto" of the "private passenger type".

- d. The following exclusion is added and applies only to "private passenger type" covered "autos":

This insurance does not apply to:

"Bodily injury" or "property damage" for which an "insured" under the policy is also an "insured" under a nuclear energy liability policy or would be an "insured" but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to "autos" registered or principally garaged in New York.

B. Changes In Physical Damage

PERSONAL AUTO COVERAGE

If any "auto" you own of the "private passenger type" is a covered "auto" under Physical Damage Coverage, a "non-owned auto" will also be considered a covered "auto". However, the most we will pay for "loss" to a "non-owned auto" which is a "trailer" is \$500.

C. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. The words "you" and "your" include your spouse if a resident of the same household except for notice of cancellation.
3. When the phrase "private passenger type" appears in quotation marks it includes any covered "auto" you own of the pick-up or van type not used for business purposes, other than farming or ranching.
4. "Non-owned auto" means any "private passenger type" "auto", pick-up, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member", while it is in the custody of or being operated by you or any "family member".

COMMERCIAL INLAND MARINE DECLARATIONS

Policy Effective Date: JULY 6, 2016		Coverage Effective Date: JULY 6, 2016	
Insurance is provided only for those coverages shown in the following coverage schedule.			
C o v e r a g e S c h e d u l e			
Coverage		Premium	
CONTRACTORS' EQUIPMENT		\$1,259.00	
MISCELLANEOUS PROPERTY - TOOLS		\$378.00	
Forms and Endorsements:		Premium Amount	
Refer to "Commercial Policy Forms and Endorsement Schedule"		\$1,670.00 (This premium may be subject to adjustment.)	

Previous Policy Number

S 1612082

Policy Number

S 1612082

COMMERCIAL INLAND MARINE COVERAGE SUPPLEMENTAL DECLARATIONS CONTRACTORS EQUIPMENT COVERAGE

Policy Effective Date: JULY 6, 2016

Coverage Effective Date: JULY 6, 2016

Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule.

SCHEDULE

SCHEDULE OF EQUIPMENT

<u>Item No.</u>	<u>Description of Equipment (including Serial No.)</u>	<u>Limit of Insurance</u>
1	2003 DINGO 323 S#3230801501	\$13,500
2	1999 DINGO 322 S#991213	\$1,500
3	DINGO AUGER 12 & 30 IN. 99404	\$3,000
4	DINGO TRENCHER 990583	\$4,000
5	DINGO BUCKET 22409	\$1,000
6	DINGO BUCKET 990166	\$1,000
7	1988 BOBCAT 843 503732339	\$9,000
8	4 N 1 BUCKET FOR BOBCAT 707400795	\$3,500
9	BOBCAT FORK ASSEMBLY	\$18,000
10	2002 GREAT DANE SURFER MOWER GDSM526911	\$5,000
11	2003 SCAG HYDRO48IN. MOWER SWZ48A8120280	\$4,700
13	2000 AERAVATOR AE60 2982	\$5,000
14	1990 LAWN AIRE 4 9150240	\$1,950
16	GILL 48IN. AERATOR	\$1,000
18	DYNA DIGGER 3991439	\$1,400
19	TRENCH MASTER BED EDGER 970410YC	\$1,500
CONTINUED ON SCHEDULE: CM-7133		
TOTAL		\$108,481
ALL COVERED PROPERTY AT ALL LOCATIONS		\$108,481

DEDUCTIBLE

The Deductible amount is \$500. unless otherwise stated \$250

RATES & PREMIUM

Premium for this Coverage Form \$1,259.00

Annual Rate for this Coverage Form \$0.930

SPECIAL PROVISIONS (If Any)

COMMERCIAL INLAND MARINE COVERAGE SUPPLEMENTAL DECLARATIONS

MISCELLANEOUS PROPERTY - TOOLS COVERAGE

Policy Effective Date: JULY 6, 2016	Coverage Effective Date: JULY 6, 2016
Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule.	
SCHEDULE	
LIMITS OF INSURANCE	
A. SCHEDULED PROPERTY	
<u>Description of Property</u>	<u>Limit of Insurance</u>
Total	
B. UNSCHEDULED PROPERTY	
<u>Description of Property</u>	
MISC TOOLS	
Any One Item	\$1,000
Total	\$14,000
C. ALL COVERED PROPERTY AT ALL LOCATIONS	\$14,000
DEDUCTIBLE	
The Deductible amount is \$500. unless otherwise stated	\$250
RATES & PREMIUM	
	<u>Rate</u>
A. SCHEDULED PROPERTY	N/A
B. UNSCHEDULED PROPERTY	\$2.700
TOTAL PREMIUM FOR THIS COVERAGE FORM	\$378.00
SPECIAL PROVISIONS (If Any)	

COMMERCIAL INLAND MARINE SCHEDULE

SCHEDULE OF EQUIPMENT

<u>Item No.</u>	<u>Description of Equipment including Serial No.)</u>	<u>Limit of Insurance</u>
20	200 GAL SPRAYER #381	\$3,928
21	LINCOLN WELDER #10974	\$670
23	MERRY TILLER #T19803	\$833
24	1997 JOHN DEERE 955 TRACTOR W ACCESSORIES #LV0955E203662	\$14,500
25	MASSEY FERGUSON BACKHOE ATTACHMENT #5269000810	\$1,500
26	LESCO 200 GALLON SPRAYER W TRAILER 016005SPG2431	\$3,000
27	VERMEER CHIPPER BC625 W 30HP 1VRK08165W1002114	\$9,000

CONTRACTORS EQUIPMENT LEASED/RENTED UNSCHEDULED EQUIPMENT

POLICY NUMBER: S 1612082

COMMERCIAL INLAND MARINE
CM 71 15 03 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

SCHEDULE

Leased/Rented Unscheduled Contractors Equipment		Limit of Insurance
	Any One Item	\$25,000
	Total	\$25,000
Deposit Premium	\$250.00	
Minimum Annual Premium	\$250.00	
Rate per \$100 of Rental Fees	\$1.000	

A. COVERAGE

We will cover "loss" as a result of a Covered Cause of Loss to unscheduled contractors equipment in your care, custody or control that you lease, rent or borrow from others. The most we will pay for "loss" to such unscheduled contractors equipment under this coverage is the applicable Limit of Insurance shown in the above Schedule.

B. REPORTING CONDITIONS

If this coverage is written on a reporting basis as specified in Special Provisions in the Declarations, the following will apply:

1. Reports

- Within 30 days after the end of the policy period, you must report to us the total amount of your expenditures on unscheduled contractors equipment that you leased, rented or borrowed from others during the policy period.
- If you fail to submit the report(s) required by Subparagraph a. above, the most we will pay is 90% of the limit(s) shown in the above Schedule.
- If your last report before a "loss" indicates less than the actual amount of your expenditures on unscheduled contractors equipment that you leased, rented or borrowed from others, we will not pay a greater portion of the "loss", prior to the application of the deductible, than the total amount of your expenditures you reported divided by your actual amount of your expenditures during the reporting period.

- We will not pay more than the applicable limit shown in the above Schedule.

2. Premium Computation

The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying your total expenditures used in your report by the rate shown in the above Schedule.

3. Premium Adjustment

We will compare the total computed premium to the Deposit Premium shown in the above Schedule. If it is more than the Deposit Premium, you will pay us the difference. If it is less than the Deposit Premium, we will pay you the difference.

4. Minimum Premium

You must pay at least the Minimum Annual Premium shown in the above Schedule.

5. Cancellation

If this coverage is cancelled, you must report the amount of your expenditures you paid on the unscheduled contractors equipment that you leased, rented or borrowed from others up to and including the date of cancellation. We will compute the premium as provided above.

C. COINSURANCE

The Coinsurance condition of the Contractors Equipment Coverage Form does not apply to property to which this endorsement applies.

COMMERCIAL INLAND MARINE CONDITIONS

COMMERCIAL INLAND MARINE
CM 00 01 06 95

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. DUTIES IN THE EVENT OF LOSS

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination.

5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.

6. Permit us to inspect the property and records proving "loss"

7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event your answers must be signed.

8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Promptly send us any legal papers or notices received concerning the "loss".

10. Cooperate with us in the investigation or settlement of the claim.

D. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

E. LOSS PAYMENT

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. OTHER INSURANCE

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

G. PAIR SETS OR PARTS

1. Pair or Set. In case of "loss" to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
 - b. Pay the difference between the value of the pair or set before and after the "loss".
2. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

I. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. Transfer OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

GENERAL CONDITIONS

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

C. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

D. POLICY PERIOD

We cover "loss" commencing during the policy period shown in the Declarations.

E. VALUATION

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss" the value of property will be determined as of the time of "loss".

NORTH CAROLINA CHANGES

COMMERCIAL INLAND MARINE
CM 01 03 02 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Warranties

Wherever the words "warrants", "warranties", "warranted", or "warranty" appear in this Coverage Part, you and we agree that they are representations.

B. Protective Safeguards

The **Protective Safeguards** Additional Condition is replaced by the following:

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

You must notify us immediately when you fail to keep the protective safeguards:

1. In working condition at a location; and
2. In operation when you are closed to business.

C. General Condition C. Legal Action Against Us in the Commercial Inland Marine Conditions is replaced by the following:

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within three years after you first have knowledge of the direct loss or damage.

D. The following condition is added:

Time Period For Performance Of Contractual Obligations

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Condition or in an endorsement attached to this Coverage Part) shall be extended by a time period not exceeding the earlier of:

- a. The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or
- b. The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.

2. Except as otherwise provided in Paragraph 1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for a performance of:

- a. A premium or debt payment; or
- b. Any other duty or any act (including transmittal of information),

under the terms of this Coverage Part and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

CONTRACTORS EQUIPMENT COVERAGE FORM

COMMERCIAL INLAND MARINE
CM 70 97 03 12

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F — DEFINITIONS**.

If a "loss" covered under this Coverage Form also involves a "loss" covered under any other Coverage Form that is made a part of this policy, then the broadest coverage will apply. If Covered Property is specifically scheduled or described under another Coverage Form, the valuation provisions of that more specific Coverage Form will apply.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. **COVERED PROPERTY**, as used in this Coverage Form, means:

- a. Your contractors equipment; and
- b. Contractors equipment of others in your care, custody or control;

that are scheduled in the Declarations.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, trailers, semi-trailers or any other vehicles designed and principally used for highway transportation unless unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Property while waterborne, except while in transit by carriers for hire;
- d. Property while stored or operated underground in connection with any mining or drilling operations except as provided under the Drillers Underground Equipment Coverage Extension; or
- e. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of loss listed in the Exclusions.

4. COVERAGE EXTENSIONS

Unless otherwise stated in the Coverage Form or in a specific Coverage Extension, the following Coverage Extensions:

- i. Are in addition to the Section **C. LIMITS OF INSURANCE**;
- ii. Apply on a per occurrence basis; and
- iii. Are subject to the provisions of Section **D. DEDUCTIBLE**.

a. Newly Acquired Property

If during the policy period you acquire additional property of a type covered by this form, we will cover such property for up to 90 days, but not beyond the end of the policy period. The most we will pay under this Coverage Extension is the lesser of:

- (1) 25% of the total Limit of Insurance shown in the Declarations; or
- (2) \$250,000.

If you do not report your acquisition of such property within 90 days from the date acquired and pay any additional premium due, coverage will cease automatically 90 days after the acquisition date or at the end of the policy period, whichever occurs first.

b. Debris Removal

We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. Your expenses will be paid only if you report them to us in writing within 180 days of the date of the earlier of:

- (1) The date of direct physical "loss"; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is 25% of the amount we pay for direct "loss" to the Covered Property. Any payment will not increase the applicable Limits of Insurance. But, if the debris removal expense exceeds the amount calculated above, or if the sum of our payments for direct "loss" and debris removal exceeds the applicable Limit of Insurance, we will pay up to an additional \$50,000 in any one occurrence.

This Coverage Extension does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

c. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water if the release, discharge or dispersal of the "pollutants" resulting from a "loss" to Covered Property is caused by a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical "loss"; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

d. "Loss" to "Substitute Contractors Equipment"

We will pay for "loss" to "substitute contractors equipment" caused by or resulting from a Covered Cause of Loss. Coverage will start when you assume liability for "substitute contractors equipment", and will end the earlier of the following dates:

- (1) When your "substitute contractors equipment" is no longer in your care, custody or control; or
- (2) The policy expiration date.

Subject to the limitations set forth in Subparagraphs (1) and (2) above, we will also pay for such "loss" if it occurs while "substitute contractors equipment" is in transit to or from the owner if you are liable for the item at the time of "loss".

The most we will pay under this Coverage Extension is \$25,000.

e. Theft Rewards

(This provision does not apply in New York)

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with an actual theft "loss" to Covered Property.

The most we will pay under this Coverage Extension is \$5,000 per theft "loss". This is the most we will pay regardless of the number of persons who provided information. No deductible will apply to this Coverage Extension.

f. Vandalism Rewards

(This provision does not apply in New York)

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with a vandalism "loss" to Covered Property.

The most we will pay under this Coverage Extension is \$5,000 per vandalism "loss". This is the most we will pay regardless of the number of persons who provided information. No deductible will apply to this Coverage Extension.

g. Expediting Expense

We will pay the reasonable and necessary extra cost incurred by you to make temporary repairs and to expedite the permanent repair or replacement of Covered Property in connection with a "loss" to Covered Property from a Covered Cause of Loss. Such incurred expenses may include but are not limited to costs to obtain replacement parts or materials on an expedited basis, additional labor expense and the extra cost of express freight or other rapid means of transportation.

This Coverage Extension will not pay for extra costs recoverable elsewhere in the policy or for permanent repair or replacement of Covered Property.

The most we will pay under this Coverage Extension is \$25,000.

h. Fire Department Service Charge Expense

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

No deductible applies to this Coverage Extension.

i. Fire Extinguisher Recharge Expense

We will pay for the cost to recharge or refill any fire extinguishing equipment when discharged:

- (1) In response to a Covered Cause of Loss;
- (2) As a result of the intended operation of such equipment to prevent or control a Covered Cause of Loss;
- (3) Accidentally; or
- (4) Resulting from a malfunction of the fire extinguishing equipment.

We will not pay for cost to recharge or refill fire extinguishing equipment:

- (1) If you fail to use reasonable care to maintain the fire extinguishing equipment in proper operating condition; or
- (2) If the discharge occurs while servicing, refilling or testing the fire extinguishing equipment.

The most we will pay under this Coverage Extension is \$10,000.

No deductible applies to this Coverage Extension.

j. Spare Parts And Fuel

We will cover direct physical "loss" to the property identified in Subparagraphs (1) and (2) below caused by a Covered Cause of Loss:

- (1) Spare parts and accessories for Covered Property; and
- (2) Fluids for vehicles and Covered Property. Fluids include but are not limited to fuel, oil, grease and hydraulic fluid.

The most we will pay under this Coverage Extension is \$5,000.

k. Transportation Of Contractors Equipment Of Others

We will cover your legal liability for "loss" caused by a Covered Cause of Loss to contractor's equipment of others while in your care, custody and control for the purpose of transportation to a designated site.

The most we will pay under this Coverage Extension for any one item is the lesser of the following:

- (1) The amount for which you are legally liable;
- (2) The actual cash value of the contractors equipment;
- (3) The cost of repairing or replacing the contractors equipment with equipment of a similar kind and quality; or
- (4) \$50,000.

m. Drillers Underground Equipment

We will pay for your expenses to recover "drilling equipment" when located underground at a job site.

The most we will pay under this Coverage Extension is the lesser of the following:

- (1) The value of the "drilling equipment";
- (2) The cost of recovery; or
- (3) \$25,000.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by a resulting fire caused by a covered Cause of Loss.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

a. Dishonest acts by:

- (1) You, your employees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

b. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

c. Discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
- (2) Except as provided for in the Pollutant Clean Up and Removal Coverage Extension.

But if "loss" by any of the "Specified Causes of Loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants", we will pay for the resulting "loss" caused by the "Specified Causes of Loss".

d. Processing or work upon the Covered Property.

But we will pay for direct "loss" to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this Coverage Form.

e. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this Coverage Form.

But we will pay for direct "loss" to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this Coverage Form.

This exclusion only applies to "loss" to that item in which the disturbance occurs.

f. Weight of a load which under the operating conditions at the time of "loss" exceeds the registered lifting capacity of the equipment..

g. Delay, loss of use, loss of market or any other cause of consequential "loss".

h. Voluntary parting with any Covered Property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" caused by a Covered Cause of Loss results, we will pay for that resulting "loss":

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the "loss."

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

1. We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.
2. If a "loss" covered under this Coverage Form also involves a "loss" under any other Coverage Form issued by us or any company affiliated with us, the most we will deduct from the payment for "loss" to Covered Property is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).
3. Waiver of Theft Deductible For Covered Property
 - a. If there is a theft "loss" to Covered Property, we will waive the deductible if:
 - (1) The Covered Property is equipped with an operational GPS tracking device or a similar tracking device; or
 - (2) You have "properly registered" the stolen Covered Property with the National Equipment Register prior to the theft "loss" to the Covered Property.
 - (3) In addition to Paragraph (1) or (2) above, you must:
 - (a) Report the theft "loss" of the Covered Property to the local law enforcement agency having jurisdiction as soon as you become aware of the theft; and
 - (b) Report the "loss" to us in accordance with the terms and conditions of this policy.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. VALUATION

- a. The following is added to the VALUATION General Condition in the Commercial Inland Marine Conditions for Covered Property:
 - (1) In the event of "loss" to Covered Property owned by you and purchased new within a five year period prior to the "loss", we will determine the value of the Covered Property at Replacement Cost (without deduction for depreciation).
 - (a) We will not pay more for "loss" on a Replacement Cost basis than the lesser of:
 - i. The limit of insurance for any one item;
 - ii. The cost to replace the Covered Property with other Covered Property of similar quality and capability and used for the same purpose; or
 - iii. The amount you actually spend that is necessary to repair or replace the Covered Property.
 - (b) We will pay on an Actual Cash Value basis until the lost or damaged Covered Property is actually repaired or replaced.
 - (c) If the Covered Property is not repaired or replaced within 180 days of the date of "loss", valuation will remain on an Actual Cash Value basis.
- (2) In the event of a "loss" to Covered Property leased or rented from others, if the written lease or rental agreement requires that you insure the Covered Property on a Replacement Cost basis, we will determine the value of the Covered Property at Replacement Cost subject to Paragraphs a.(1)(a) through a.(1)(c) above.

2. COVERAGE TERRITORY

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

3. COINSURANCE

All Covered Property must be insured for at least 80% of its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" to an item that the Limit of Insurance shown in the Declarations for the item bears to 80% of its total value as of the time of "loss".

Coinsurance does not apply to Covered Property that you lease, rent or borrow from others.

4. RECORDS

You must keep accurate records of your business and retain them for three years after the policy ends.

5. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- a. Adjust "losses" with you; and
- b. Pay any claim for "loss" jointly to you and the Loss Payee, as interests may appear.

F. DEFINITIONS

1. "Drilling Equipment" means drill bits, stems, adapters, hammers, fittings, measuring devices, pumps and similar drilling parts or accessories normal to drilling operations.
2. "Loss" means accidental loss or damage that occurs during the policy period.
3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. "Properly registered" means providing National Equipment Register (NER) with the specific manufacturer, model number, serial number and year manufactured either through your online entry of this information in the NER web site or sending this information on an electronic spreadsheet directly to NER.

5. "Specified Causes of Loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; sonic boom, volcanic action; falling objects; weight of snow, ice or sleet or water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a part of a system or appliance containing water or steam.

6. "Substitute Contractors Equipment" means substitute equipment similar to the contractors equipment used in your business operations that you must rent due to "loss" to your contractors equipment caused by or resulting from a Covered Cause of Loss. "Substitute Contractors Equipment" are only those items which are:

- a. Necessary to continue your normal business operations; and
- b. Needed because you do not have other contractors equipment available for similar use.

MISCELLANEOUS PROPERTY COVERAGE FORM

COMMERCIAL INLAND MARINE

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F — DEFINITIONS.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. COVERED PROPERTY, as used in this Coverage Form, means:

- a. Your property; and
- b. Property of others that is in your care, custody or control;

that are described in the Declarations.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, aircraft or watercraft;
- b. Accounts, bills, currency, deeds, money, notes, securities and evidences of debt; or
- c. Contraband, or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

B. EXCLUSIONS

- 1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

- 2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by:

- (1) You, your employees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Unexplained disappearance.
- d. Shortage found upon taking inventory.

e. Processing or work upon the property.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

f. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this Coverage Form.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

This exclusion only applies to "loss" to that item in which the disturbance occurs.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, insects, vermin, rodents, corrosion, rust, dampness, cold or heat.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. COVERAGE TERRITORY

We cover property wherever located within:

a. The United States of America;

b. Puerto Rico; and

c. Canada.

2. COINSURANCE

All Covered Property must be insured for its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" to an item that the Limit of Insurance shown in the Declarations for the item bears to its total value as of the time of "loss".

3. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

a. Adjust "losses" with you; and

b. Pay any claim for "loss" jointly to you and the Loss Payee, as interests may appear.

F. DEFINITIONS

"Loss" means accidental loss or damage.

LIBERALIZATION

COMMERCIAL INLAND MARINE
CM 72 00 01 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The following General Condition is added to the Commercial Inland Marine Conditions:

Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

Previous Policy Number
S 1612082

Policy Number
S 1612082

SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA
3426 TORINGDON WAY, CHARLOTTE, NC 28277

DECLARATIONS - COMMERCIAL UMBRELLA LIABILITY COVERAGE

Item One - Name of Insured & Mailing Address SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025		Policy Period From: JULY 6, 2016 To: JULY 6, 2017 12:01 A.M., Standard Time At The Insured's Mailing Address.	
Producer: SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025		Producer Number: 00-07256-00000	
Named Insured is: INDIVIDUAL			
Business of the Named Insured: LANDSCAPER			
Limits Of Insurance			
Occurrence Limit \$1,000,000.00		Aggregate Limit \$1,000,000.00	
Self Retained Limit:		\$.00	
Schedule of Underlying Insurance and Limits			
Standard Employers Liability or Stop-Gap Employers Liability Policy		Policy No. TBD	
Company Builders Mutual Insurance			
Policy Period From: JULY 6, 2016 To: JULY 6, 2017		Employers Liability Each Accident \$100,000 Disease Each Employee \$500,000 Disease Each Policy \$100,000	
Commercial General Liability Policy		Policy No. S 161208212	
Company SELECTIVE INS CO OF SOUTH			
Policy Period From: JULY 6, 2016 To: JULY 6, 2017		General Aggregate \$3,000,000 Products-Completed Operations \$3,000,000 Personal and Advertising Injury Limit \$1,000,000 Each Occurrence Limit \$1,000,000	
Automobile Liability Policy		Policy No. S 161208212	
Company SELECTIVE INS CO OF SOUTH			
Policy Period From: JULY 6, 2016 To: JULY 6, 2017		Bodily Injury and Property Damage Combined Each Accident \$1,000,000	
Premium Schedule:			
Estimated Exposure Base	Rate	Rate Per	Annual Minimum Premium Estimated Premium Due
In the event of cancellation by the Named Insured we will receive and retain not less than as the Policy Minimum Premium.			\$250.00
Forms and Endorsements: SEE FORMS AND ENDORSEMENT SCHEDULE: IL-7035			Estimated Total Premium \$561.00
Issue Date JUNE 3, 2016 Issuing Office SOUTHERN REGION Authorized Representative _____			

COMMERCIAL UMBRELLA LIABILITY COVERAGE

COMMERCIAL UMBRELLA LIABILITY
CXL 4 04 03

Various provisions in this Coverage Part restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words “you” and “your” refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage Part. The words “we”, “us” and “our” refer to the Company providing this insurance.

The word “insured” means any person or organization qualifying as such under **SECTION II — WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning — refer to **SECTION V — DEFINITIONS**.

In return for the payment of the premium, and subject to all terms and conditions of this Coverage Part, we agree with you to provide the insurance as stated in this Coverage Part.

SECTION I — COVERAGES

A. Insuring Agreement

1. We will pay on behalf of the insured the “ultimate net loss” in excess of the “retained limit” that the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage” or “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages when the “underlying insurance” does not provide coverage or the limits of “underlying insurance” have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other “suit” seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury”, “property damage” or “personal and advertising injury” to which this insurance does not apply. At our discretion, we may investigate any “occurrence” or offense that may involve this insurance and settle any resultant claim or “suit”, for which we have the duty to defend. But:

- a. The amount we will pay for the “ultimate net loss” is limited as described in **Section III — Limits of Insurance**; and

- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Section I — Coverages, C. Supplementary Payments**.

2. This insurance applies to “bodily injury”, or “property damage” only if:
 - a. The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
 - b. The “bodily injury” or “property damage” occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph **A.** of **Section II — Who Is An Insured** and no “employee” authorized by you to give or receive notice of an “occurrence” or claim knew that the “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “bodily injury” or “property damage” occurred, then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the policy period will be deemed to have been known prior to the policy period.

3. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph A. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
4. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph A. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - a. Reports all, or any part of the "bodily injury" or "property damage" to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - c. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
5. Damages because of that "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
6. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

B. Exclusions

This insurance does not apply to:

1. Aircraft or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, including "loading or unloading" or entrustment to others of watercraft over 50 feet in length or any aircraft.

- a. Owned by any insured;
- b. Chartered without crew by or on behalf of any insured; or

- c. Owned and operated by any employee of an insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent; or
- (2) Liability assumed under any contract or agreement.

2. Contractual Liability

Any obligation or liability assumed by the insured under any contract or agreement.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

3. Damage to Impaired Property or Property not Physically Injured

"Property damage" to "impaired property" or property that has not been physically destroyed or injured, arising out of;

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

4. Damage to Property

"Property damage" to:

- a. Property
 - (1) You own including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
 - (2) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto".

- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. That particular part of real property on which you or any other contractors or subcontractors, working directly or indirectly on your behalf, are performing operations, if the "property damage" arises out of those operations; or
- d. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **c.** and **d.** of this exclusion do not apply to the extent that coverage is provided for the insured by "underlying insurance".

5. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

6. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

7. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

8. Employer's Liability

"Bodily injury" to:

- a. An employee of the insured arising out of and in the course of employment by the insured; or

- b. The spouse, child, parent, brother or sister of that employee as a consequence of **a.** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

9. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(1)**, **(2)** or **(3)** above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

10. E.R.I.S.A.

Any obligation of the insured under the Employers' Retirement Income Security Act and any amendments thereto or any similar federal, state or local statute.

11. Auto Coverages

Any loss, cost or expense payable under or resulting from any first party "bodily injury" or "property damage" coverage, automobile no-fault law, uninsured motorists or underinsured motorists law or any similar law.

12. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, unemployment compensation or disability benefits law, or under any similar law.

13. Liquor Liability

"Bodily injury", "property damage" or "personal and advertising injury" for which the insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

14. Personal and Advertising Injury

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising Injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period. All "personal and advertising injury" arising out of publication of the same or similar material subsequent to the beginning of the policy period is also excluded.

d. Willful Violation Of Penal Statute Or Ordinance

"Personal and advertising injury" arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured.

e. Breach Of Contract

"Personal and advertising injury" arising out of breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

f. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

g. Quality Or Performance Of Goods — Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement in your "advertisement" of copyright, trade dress or slogan.

i. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13.a., b. and c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself considered the business of advertising, broadcasting, publishing or telecasting.

j. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

k. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

15. Pollution

Any damages arising out of the "pollution hazard". But, this exclusion does not apply with respect to "pollution hazard" coverage provided in any "Underlying Insurance", except:

- a. Any "underlying insurance" "pollution hazard" coverage provided with "sub-limits"; or

- b. Any coverage provided in "underlying insurance" claims-made coverage for the "Pollution Hazard".

This exclusion applies whether or not the "Pollutant" has any function in your business, operations, premises, site or location.

16. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- a. Legal, accounting or advertising services;
- b. Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- c. Supervisory, inspection or engineering services;
- d. Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- e. Any health or therapeutic treatment, advice or instruction;
- f. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- g. Optometry or optical or hearing aid services including the prescribing, preparation, fitting demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- h. Body piercing services;
- i. Professional health care services as a pharmacist;
- j. Law enforcement or firefighting services; and
- k. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

17. Racing or Stunting Activities

"Bodily injury" or "property damage" arising out of the ownership or any insured's use of "mobile equipment" or "autos" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition or stunting activity or contest.

18. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

19. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Supplementary Payments

- 1. When the duty to defend exists under this coverage part, we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur;
 - b. The cost of:
 - (1) Bail bonds up to \$3,000; or

- (2) The cost of appeal bonds to release attachments, but only for bond amounts with the applicable limit of insurance.

We do not have to furnish these bonds;

- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claims or "Suit", including actual loss of earnings up to \$250 a day because of time off from work;
- d. All costs taxed against the insured in the "Suit";
- e. Prejudgement interest awarded against the insured on that part of the judgement we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgement interest based on the period of time after the offer;
- f. All interest on the full amount of any judgement that accrues after entry of the judgement and before we have:

(1) Paid, or offered to pay; or

(2) Deposited in court;

The part of the judgement that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement to which "underlying insurance" applies;
 - b. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same contract or agreement to which "underlying insurance" applies;
 - c. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

d. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree we can assign the same counsel to defend the insured and the indemnitee; and

e. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provide us with written authorization to:

- (a) Obtain records and other information related to the "suit", and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorney's fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorney's fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgements, or settlements, or the conditions set forth above, or the terms of the agreement described in Paragraph e. above, are no longer met.

3. If we are prevented by law or otherwise from carrying out the provisions of Section C. Supplementary Payments, we will pay any expense incurred with our written consent.

SECTION II — WHO IS AN INSURED

A. Except for liability arising out of the ownership, maintenance, or use of "covered autos":

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in (1)(a) or (b) above.
 - (2) "Property damage" to property:
 - (a) Owned, occupied, or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

You, any of your "employees", "volunteer workers", or any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. With Respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
 - a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
 4. Any other person or organization insured under any policy of "underlying insurance". The coverage afforded such insureds under this policy will be not broader than the "underlying insurance" except for this policy's Limits of Insurance.
 5. Any additional insured under any policy of "underlying insurance" will automatically be insured under this insurance

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "underlying insurance", subject to **Section III — Limits of Insurance**.

Additional insured coverage provided by this insurance will not be broader than coverage provided by "underlying insurance".
 6. Any person using an aircraft you charter with pilot or air crew, and any person legally responsible for the use of the aircraft provided its actual use is with your permission; except no coverage is afforded:
 - a. The owner, pilot or air crew of the aircraft or any other person operating it; or

- b. Any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales, service or repair organization or airport or hangar operator or any of their "Employees".
7. Any organization you newly acquire or form other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period set forth in the Declarations, whichever is earlier; and
 - b. Coverage is applicable only in excess of the limits of "underlying insurance", and you must add the organization to your "underlying insurance" as soon as practicable, advising us of the addition. We may then adjust the premium charges.
 - c. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - d. Coverage does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- B. Only with respect to liability arising out of the ownership, maintenance, or use of "covered autos":
- 1. You are an insured.
 - 2. Anyone else while using with your permission a "covered auto" you own, hire or borrow is also an insured except:
 - a. The owner or anyone else from whom you hire or borrow a "covered auto". This exception does not apply if the "covered auto" is a trailer or semi-trailer connected to a "covered auto" you own.
 - b. Your "employee" if the "covered auto" is owned by that "employee" or a member of his or her household.
 - c. Someone using a "covered auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - d. Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered auto.
 - e. A partner (if you are a partnership), or a member (if you are a limited liability company) for a "covered auto" owned by him or her or a member of his or her household.
 - 3. Anyone liable for the conduct of an insured described above is also an insured, but only to the extent of that liability.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

No person is an insured as respects "Bodily Injury" to a fellow "employee" unless such insurance is provided the insured by "underlying insurance".

SECTION III — LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the provisions below fix the most we will pay regardless of the number of:
 - 1. Insureds;
 - 2. Claims made or "suits" brought or number of vehicles involved; or
 - 3. Persons or organizations making claims or bringing "suits".
- B. Subject to D. below, The Occurrence Limit is the most we will pay for the "ultimate net loss" because of "bodily injury" and "property damage" arising out of any one "occurrence".
- C. Subject to D. below, the Occurrence Limit is the most we will pay for the "ultimate net loss" because of all "personal and advertising injury" sustained by any one person or organization.

D. The Aggregate Limit is the most we will pay for all “ultimate net loss” because of “bodily injury”, “property damage” and “personal and advertising injury” regardless of the number of covered “occurrences” during each annual period of this policy, except:

1. The aggregate limit shall apply separately to and in excess of each aggregate limit of the “underlying policy”.
2. The aggregate limit does not apply to “auto” liability arising out of the ownership, maintenance, use or entrustment of any “covered auto”. Use includes operation, “loading or unloading”.

E. The Aggregate limit as described in **D.** above, applies separately to each consecutive annual period and to any remaining period of less than 12 months. The policy period begins with the effective date shown on the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be part of the last preceding period.

F. If the applicable limit of insurance of the “underlying policy” is less than stated in the Declarations because the aggregate limit of insurance of the “underlying policy” has been reduced or exhausted, we will, subject to the Limits of Insurance and all other provisions of this policy:

1. Pay in excess of the reduced underlying limit of insurance; or
2. Continue in force as “underlying insurance” until this policy expires or until our aggregate limit is exhausted;

provided such reduction or exhaustion is solely the result of damages paid because of an “occurrence” during this policy period.

G. If the applicable limit of insurance of an “underlying policy” is a “sub-limit”, this insurance will not apply, whether or not such “sub-limit” has been reduced by any payments under the “underlying policy”.

H. If the applicable limit of insurance of the “underlying policy” is more than that stated in the Declarations this insurance becomes excess of such higher limits of insurance.

SECTION IV — CONDITIONS

A. Appeals

If the insured or the insured’s “underlying insurer” elects not to appeal a judgment in excess of the underlying or “retained limit”, we may elect to make such appeal at our cost and expense. We shall be liable, in addition to the applicable limit of insurance, for any taxable costs, payments and incidental interest. In no event shall our liability for “ultimate net loss” exceed the amount applicable to any one “occurrence” including all expenses of the appeal.

B. Bankruptcy

Your bankruptcy, insolvency or receivership, or that of your estate, will not relieve us of our obligations under this Coverage Part.

In the event of bankruptcy, insolvency or receivership of any “underlying insurer”, this policy will not apply as a replacement of the bankrupt or insolvent insurer. Our Limits of Insurance will only apply in excess of the minimum required limits of “Underlying Insurance” stated in this Coverage Part.

C. Duties In The Event Of Occurrence, Claim Or Suit

1. You must see to it that we are notified as soon as practicable of an “occurrence” or an offense which may result in a claim. To the extent possible, notice should include:

- a. How, when and where the “occurrence” or offense took place;
- b. The names and addresses of any injured persons and witnesses; and
- c. The nature and location of any injury or damage arising out of the “occurrence” or offense.

2. If a claim is made or “suit” is brought against any insured, you must:

- a. Immediately record the specifics of the claim or “suit” and the date received; and
- b. Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or “suit” as soon as practicable.

3. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insureds will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense other than for first aid, without our consent.

D. Expanded Coverage Territory

1. If a claim or "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico, or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the claim or "suit". We will reimburse the insured, under Supplementary Payments, for any approved expenses incurred for the defense of such "suit" or claim seeking damages to which this insurance applies, that we would have been paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such claims on the insured's behalf, we will reimburse the insured for such sums.

2. All payments or reimbursements we make for damages because of judgements or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
3. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Canada or Puerto Rico.
4. The insured must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payments of claims, judgements or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

E. Legal Action Against Us

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us under this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

F. Loss Payable

Liability under this Coverage Part shall not apply unless and until the insured or insured's "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the insured to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgement after an actual trial or written agreement between the insured, claimant and us.

G. Maintenance Of Underlying Insurance

Each policy of "underlying insurance" must remain in force for the full term of this policy except:

1. For changes agreed to by us in writing;
2. For any reduction of the aggregate limits of such "underlying insurance" because of payment of claims, settlements or judgements arising out of occurrences during the policy period.

If you do not maintain "Underlying Insurance", we will pay only those damages or injuries that would have been paid had "Underlying Insurance" been maintained.

H. Other Insurance

1. This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has the duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

2. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
 - a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b. The total of all deductible and self-insured amounts under all that other insurance.

I. Premium Audit

1. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
2. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

J. Premiums

The First Named Insured shown in the Declarations will be:

1. Responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

The premium is fully earned if the Limits of Insurance are used up prior to the end of the policy period.

K. Representations or Fraud

By accepting this policy, you agree that:

1. The statements in the application and Declarations, and any subsequent notice relating to "underlying insurance", are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.
4. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

L. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies as if each Named Insured were the only Named Insured, and separately to each insured against whom claim is made or "suit" is brought.

M. Transfer of Rights of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request the insured will bring "suit" or transfer those rights to us and help us enforce them. Any recovery will be applied in the following order:

1. To any person or insurer who may have paid for liability in excess of our limit of liability;
2. To us up to the amount we paid under this policy; and, then
3. To any person or insurer to the extent that the person or insurer is entitled to claim the remaining amount, if any.

Reasonable expenses incurred in the exercise of rights of recovery will be shared among all interests on a pro rata basis according to their respective losses.

N. Underlying Insurance

The limits of "underlying insurance" shall apply, no matter what defense the "underlying insurer" may use because of the insured's failure to comply with any condition of the "underlying insurance" following an "occurrence". You must inform us promptly of any changes in "underlying insurance". We may make adjustments to our premium charges for this policy from the date of the changes to the "underlying insurance". We must also be notified within 30 days if any coverage is canceled or aggregate limit exhausted.

O. When We Do Not Renew

If we decide not to renew this Coverage, we will mail or deliver to the first Named Insured shown in the Declarations, written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V — DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness, disease or disability sustained by a person, including death from any of these at any time including mental anguish or mental injury sustained by a person who has suffered a covered "bodily injury" as defined in this paragraph.
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
5. "Covered auto" means only those "autos" to which "underlying insurance" applies.
6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work"; or your fulfilling the terms of the contract or agreement.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an "auto", aircraft or watercraft;
 - b. While it is in or on an "auto", aircraft or watercraft;
 - c. While it is being moved from an "auto" aircraft or watercraft to the place where it is finally delivered;but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the "auto", aircraft or watercraft.
11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "Mobile Equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means:

- a.** An accident, including continuous or repeated exposure to substantially the same general harmful conditions that result in "bodily injury" or "property damage". All damages arising from continuous or repeated exposure to substantially the same general conditions shall be deemed one "Occurrence".
- b.** An offense that results in "personal and advertising injury". This does not include an offense committed with actual malice. All damages that arise from the same general conditions shall be deemed to arise from one "Occurrence". All damages involving the same injurious act, regardless of the frequency, repetition or the number or kind of media used, or the number of claimants shall be deemed to arise from one "occurrence".

13. "Personal and advertising injury" means injury, including consequential "bodily injury" arising out of one more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** Wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies; committed by or on behalf of its owner, landlord or lessor;
- d.** Oral or written publication in any manner of material that violates a person's right of privacy; or
- e.** Oral or written publication in any manner of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or service.
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- h.** Discrimination because of race, religion, age, sex or physical disability.

This does not apply:

- (1)** To offenses committed by or at the direction of the insured; or

- 2)** If insurance for such offenses is prohibited by law;

committed during the policy period.

14. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

15. "Pollution hazard" means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any "pollutants" arising out of the discharge, dispersal, seepage, migration, release or escape of such "pollutants".

"Pollution hazard" includes losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including but not limited to any governmental obligation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, in any way respond to, or assess the effects of "pollutants".

16. "Products-completed operations hazard"

- a.** Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1)** Products that are still in your physical possession; or
- (2)** Work that has not yet been completed or abandoned.

- b.** "Your work" will be deemed completed at the earliest of the following times:

- (1)** When all the work called for in your contract has been completed;
- (2)** When all of the work to be done at the site has been completed if your contract calls for work at more than one site;
- (3)** When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise completed, will be treated as completed.

c. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which "underlying insurance" classifications or manual rules include products or completed operations coverage.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Retained limit" means the greater of:

- a. The total of the limits as shown in the Declarations for the coverage(s) in question, and the limits of any other insurance not shown in the declarations that is valid and collectible; or
- b. The limit shown in the Declarations as the "self-retained limit".

However, "retained limit" does not mean any "sub-limit".

19. "Self-retained limit" means the dollar amount shown in the Declarations to be paid by an insured if no "underlying insurance" or any other insurance applies to an "occurrence" covered under this policy. The "self-retained limit" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits. These provisions do not apply to any "sub-limit" which has been reduced or exhausted.

20. "Sub-limit" means a limit of insurance of the "underlying policy" which:

- a. As originally granted at the effective date of the "underlying policy", or
- b. At its original addition by endorsement to that "underlying policy" is an amount less than that stated in the Declarations of this policy.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Ultimate net loss" means the total of the following sums for each "occurrence" to which this policy applies:

- a. All sums for which the insured becomes legally obligated to pay as damages, either by reason of adjudication or settlement or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.. This includes deduction for recoveries and salvages paid or to be paid.

- b. All expenses, other than defense settlement expenses provided in **Section I — Coverages, C. Supplementary Payments** incurred by or on behalf of the insured in the investigation, negotiation, settlement and defense of any “suit” seeking damages under this policy. However, the salaries of the insured’s regular employees are excluded.
24. “Underlying insurance” means any policies of insurance listed in the Declarations under the section titled Schedule of Underlying Insurance and Limits.
25. “Underlying insurer” means any insurer who provides any policy of insurance listed in the schedule of “underlying insurance”.
26. “Underlying policy” means a policy providing “Underlying insurance” or any other applicable insurance.
27. “Volunteer worker” means a person who is not your “employee”, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
28. “Your product”:
- a. Means:
- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and
 - (2) The providing of or failure to provide warnings or instructions.
29. “Your work”:
- a. Means:
- (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
- (1) Warranties or representation made at any time with respect to the fitness, quality, durability, performance, or use of your work; and
 - (2) The providing of or failure to provide warnings or instructions.

ASBESTOS EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 17 10 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:
 - a. structures or manufacturing processes containing "asbestos";
 - b. the disposal of "asbestos" or goods, products or materials containing "asbestos";
 - c. the storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or
 - d. the removal of "asbestos" from any goods, products, materials, structures or manufacturing processes, whether or not such "asbestos" is airborne.
2. We shall have no obligation under this coverage part:
 - a. to investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or
 - b. to pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or
 - c. for any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."
3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

EMPLOYEE BENEFITS LIABILITY EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 34 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to damage sustained by an "employee", prospective "employee", former "employee" or their beneficiaries or legal representatives in the "administration" of the Insured's Employee Benefits Program, caused by a negligent act, error or omission of the insured or any other person for which the insured is legally liable.

"Administration" means:

- (1) Giving counsel to "employees" with respect to the Employee Benefits Program (this does not include giving of legal advice);
- (2) Interpreting the Employee Benefits Program;
- (3) Handling the records in connection with the Employee Benefits Program;
- (4) Effecting enrollment, termination or cancellation of "employees" under the Employee Benefits Program.

DIRECTORS AND OFFICERS LIABILITY INSURANCE EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 94 01 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to any liability for any civil claim or claims made against the insured or any director or officer of the insured arising out of any negligent act, any error, any omission, or neglect or breach of duty of directors or officers while acting within the scope of their duties as such.

AUTO LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 103 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others of any "auto".

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

WATERCRAFT LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 119 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to:

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of the ownership, maintenance, operation, use, including loading or unloading or entrustment to others of watercraft.

This exclusion does not apply to the extent that coverage is provided for the insured by “underlying insurance”.

PERSONAL AND ADVERTISING INJURY LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 132 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to any claims made or "suits" brought against the insured for liability arising out of "personal and advertising injury".

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

CONTRACTORS ENDORSEMENT

COMMERCIAL UMBRELLA LIABILITY
CXL 152 11 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to:

1. "Property Damage" to property leased or rented to, used by, or in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control;
2. "Property Damage" arising out of:
 - a. Blasting or explosion other than the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment; or
 - b. The collapse of or structural injury to any building or structure due to:
 - (1) Grading of land, excavation, burrowing, filling or back-filling, tunneling, pile driving, cofferdam work or caisson work; or
 - (2) Moving, shoring, underpinning, raising or demolition of any building or structure, or removal or rebuilding of any structural support thereof; or
 - c. Injury to or destruction of wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any connected apparatus, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving;
3. Any project insured under a wrap-up or any similar rating plan;
4. "Bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services performed by or on behalf of the insured, including the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications, and any supervisory, inspection or engineering services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

Paragraphs 1. and 2. of this endorsement do not apply to the extent that coverage is provided for the insured by "Underlying Insurance."

NORTH CAROLINA CHANGES — CANCELLATION AND NONRENEWAL

COMMERCIAL UMBRELLA LIABILITY
CXL 170 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

A. COMMON POLICY CONDITIONS, A. Cancellation, Paragraph 2. is replaced by the following:

2. a. CANCELLATION OF POLICIES IN EFFECT LESS THAN 60 DAYS

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1) Expiration of the policy term; or
- (2) Anniversary date

stated in the policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;
- (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
- (d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- (e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;
- (f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;
- (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
- (h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;
- (i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

- (j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
 - d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. SECTION IV — CONDITIONS, O. When We Do Not Renew is replaced with the following:

Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:
 - (1) Expiration of the policy if this policy has been written for one year or less; or
 - (2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.
- b. We need not mail or deliver the notice of nonrenewal if you have:
 - (1) Insured property covered under this policy, under any other insurance policy;
 - (2) Accepted replacement coverage; or
 - (3) Requested or agreed to nonrenewal of this policy.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

The written notice of cancellation or nonrenewal will:

- 1. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
- 2. State the reason or reasons for cancellation or nonrenewal.

EXCLUSION — LEAD HAZARD

COMMERCIAL UMBRELLA LIABILITY
CXL 318 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to:

- a. "Bodily injury" arising out of the ingestion, inhalation, or absorption of lead in any form;
- b. "Property damage" or "personal and advertising injury," arising from the presence of lead in any form; or
- c. Any loss, cost or expense arising out of any orders by, or on behalf of, any governmental authority to test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize in any form.

at or from any premises, sites or locations which are, or were at any time, owned by, rented to, loaned to, or used by any insured, or arising from operations by any insured.

EXCLUSION — YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS — WITH EXCEPTION FOR BODILY INJURY ON YOUR PREMISES

COMMERCIAL UMBRELLA LIABILITY
CXL 358 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following exclusion is added to **SECTION I — COVERAGES, B. Exclusions:**

This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a)** Computer hardware, including micro-processors;
- (b)** Computer application software;
- (c)** Computer operating systems and related software;
- (d)** Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **a.(1)** of this endorsement due to inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **a.** of this endorsement.

This exclusion does not apply to “bodily injury” occurring on any premises owned by or rented to you.

EXCLUSION — EXTERIOR INSULATION AND FINISH SYSTEMS

COMMERCIAL UMBRELLA LIABILITY
CXL 362 01 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The above coverage part is hereby amended as follows:

This insurance does not apply to “Bodily Injury” or “Property Damage” arising out of:

1. The design, manufacture, fabrication, preparation, application, installation or maintenance of exterior insulation and finish (or finishing) systems (commonly referred to as synthetic stucco or EIFS), including the application of conditioners, primers, coatings or sealants, or the installation of flashing or any other waterproofing device, in connection with such systems; or
2. The design, manufacture, fabrication, preparation, application, installation, maintenance, use, sale, service, of any component, fixture or feature used on any part of an installed exterior insulation and finish system, including any method or procedure used to correct problems with installed or partially installed systems, such as the installation of any drainage, ventilation or water protection systems included in the “products-completed operations hazard.” For the purpose of this exclusion only, the “products-completed operations hazard” also includes any of the work described above, at any stage of execution, if such work has been halted by any concerns, restrictions or regulations affecting such exterior insulation and finish systems, whether such intervention by the insured, a subcontractor, supplier, manufacturer, designer, any governmental unit, or any other entity.

FUNGI OR BACTERIA EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 383 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

A. Section I Coverages, B. Exclusions is amended by the addition of the following provision.

Fungi or Bacteria

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

COMMERCIAL UMBRELLA LIABILITY
CXL 388 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- “Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

COMMERCIAL UMBRELLA LIABILITY
CXL 400 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

I. The insurance does not apply

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization.

B. Under any Liability Coverage, to "bodily injury" and "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located with the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property there at.

II. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radio-active contamination of property.

EXCLUSION — EMPLOYMENT PRACTICES LIABILITY

COMMERCIAL UMBRELLA LIABILITY
CXL 453 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- A.** Exclusion **B.9. Employment Related Practices** of **SECTION I — COVERAGES** is deleted in its entirety and replaced by the following:

This insurance does not apply to any liability for any claim based upon, arising out of, directly or indirectly resulting from “employment practices wrongful acts”, whether or not such coverage is provided for by the “underlying insurance”.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B.** The following is added to **SECTION V — DEFINITIONS**:

1. “Employment Practices Wrongful Acts” means any of the following employment related acts: if alleged by or on behalf of a claimant:
 - a. violations of any federal, state, or local civil rights laws;
 - b. wrongful dismissal, discharge, discipline, or termination of employment whether actual or constructive;
 - c. breach of a written or oral employment contract or implied employment contract;
 - d. demotion, denial of tenure, failure or refusal to hire or promote, or wrongful deprivation of a career opportunity;
 - e. negligent reassignment, hiring, supervision, evaluation, training, or retention;
 - f. misrepresentations;
 - g. defamation (including libel and slander), invasion of privacy, false arrest, detention, or imprisonment;
 - h. sexual or workplace harassment;
 - i. any violation of employment discrimination laws based upon such person’s race, sex, religion, sexual orientation, disability, marital status, pregnancy, age, national origin, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law;
 - j. failure to prevent the existence of an abusive or hostile work environment;
 - k. wrongful infliction of emotional distress, mental anguish, or humiliation;
 - l. retaliatory treatment of an “employee” alleged to be because such individual:
 - a. exercised his or her rights under law, including rights under workers compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act, or any other law relating to employee rights;
 - b. refused to violate any law or opposed any unlawful practice;
 - c. assisted or testified in or cooperated with any legal proceeding or formal governmental investigation regarding alleged violations of law by you;
 - d. disclosed or expressed an intent to disclose to a superior or to any governmental agency any alleged violations of law; or
 - e. filed or expressed intent to file any claim against you under the Federal False Claims Act or any other similar foreign, federal, state, or local “whistle blower” law.

EXCLUSION — FIDUCIARY LIABILITY

COMMERCIAL UMBRELLA LIABILITY
CXL 454 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

A. The following is added to **B. Exclusions of SECTION I — COVERAGES:**

1. This insurance does not apply to any liability for any claim based upon, arising out of, or directly or indirectly resulting from:
 - a. any actual or alleged violation of any of the responsibilities, obligations, or duties imposed upon fiduciaries of an “employee benefit plan” by ERISA or the common or statutory law(s) of any jurisdiction; or
 - b. any other matter claimed against you solely by reason of your status as a fiduciary of an “employee benefit plan”; or
 - c. any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty in your administration of an “employee benefit plan”,whether or not such coverage is provided by the “underlying insurance”.

B. The following is added to **SECTION V — DEFINITIONS:**

1. “Employee Benefit Plan” means:
 1. any employee welfare benefit plan as defined by ERISA or any similar state, local or foreign law or regulation which provides benefits or services to your “employees” and which was, is now, or becomes sponsored solely by you exclusively for your “employees”;
 2. any pension plan, including an employee stock ownership plan, which was, or is, sponsored solely by you exclusively for your “employees”;
 3. any group insurance program, including a Health Savings Account (HSA) program, that meets the safe harbor conditions set forth in 29 C.F.R. 2510.3-1(j)(1), or any benefit plan that is not subject to Title I of ERISA, including any fringe benefit or excess benefit plan, that was, is now, or becomes sponsored solely by you exclusively for the benefit of your “employees”; or
 4. any other benefit plan you sponsor solely for your “employees” not subject to Title I of ERISA.

COMMERCIAL UMBRELLA LIABILITY 2015 CHANGES

COMMERCIAL UMBRELLA LIABILITY
CXL 462 11 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

A. Paragraph 1. of **SECTION I — COVERAGES, B. Exclusions** is replaced by the following:

1. Aircraft Or Watercraft

This insurance does not apply to:

“Bodily injury” or “property damage” arising out of the ownership, maintenance, operation, use, including “loading or unloading” or entrustment to others of watercraft over 50 feet in length or any aircraft.

- a. Owned by any insured;
- b. Chartered without crew by or on behalf of any insured; or
- c. Owned and operated by any employee of an insured.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, use or entrustment to others of watercraft over 50 feet in length or any aircraft subject to Paragraphs **a.**, **b.**, or **c.**

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent; or
- (2) Liability assumed under any contract or agreement.

B. Paragraph 13. of **SECTION I — COVERAGES, B. Exclusions** is replaced by the following:

13. Liquor Liability

This insurance does not apply to “bodily injury” or “property damage” for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- i. The supervision, hiring, employment, training or monitoring of others by that insured; or
- ii. Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the “occurrence” which caused the “bodily injury” or “property damage” involved that which is described in Paragraph **a.**, **b.** or **c.** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

However, if **CXL 50** is attached to the Policy, the provisions of that endorsement apply in lieu of the above.

C. Subparagraphs b. and c. under 14. Personal and Advertising Injury of SECTION I — COVERAGES, B. Exclusions are replaced by the following:

This insurance does not apply to:

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

D. Paragraph 16. Professional Services of SECTION I — COVERAGES, B. Exclusions is replaced by the following:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes, but is not limited to:

- a.** Legal, accounting or advertising services;
- b.** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
- c.** Engineering services, including related supervisory or inspection services;
- d.** Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- e.** Any health or therapeutic service treatment, advice or instruction;
- f.** Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- g.** Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- h.** Body piercing services;
- i.** Services in the practice of pharmacy;
- j.** Law enforcement or firefighting services; and
- k.** Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the if the “occurrence” which caused the “bodily injury” or “property damage” or the offense which caused the “personal and advertising injury”, involved the rendering of or failure to render any professional service.

This exclusion does not apply to the extent that coverage is provided for the insured by “underlying insurance”.

E. The following is added to SECTION I — COVERAGES, B. Exclusions:

Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

This insurance does not apply to:

- (1)** Damages because of “bodily injury”, “property damage” or “personal and advertising injury” arising out of any access to or disclosure of any person’s or organization’s confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **(1)** or **(2)** above.

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of “bodily injury”.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

F. The following is added to SECTION I — COVERAGES, B. Exclusions:

Recording And Distribution Of Material Or Information In Violation Of Law

This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Previous Policy Number

S 1612082

Policy Number

S 1612082

PESTICIDE AND HERBICIDE APPLICATOR COVERAGE DECLARATIONS

Named Insured: LAWN ETC., LLC & ADAM C DUFFY

Policy Effective Date: JULY 6, 2016

Coverage Effective Date: JULY 6, 2016

NOTICE

COVERAGE INDICATED IN THIS SCHEDULE IS ON A CLAIMS-MADE BASIS, WHEREBY:

- THE CLAIM MUST BE FIRST MADE DURING THE POLICY YEAR OR ANY APPLICABLE EXTENDED REPORTING PERIOD AND
- THE POLLUTION INCIDENT MUST BEGIN ON OR AFTER THE RETROACTIVE DATE.

COVERAGE INDICATED IN THIS SCHEDULE IS NOT AFFORDED ON AN OCCURRENCE BASIS.

SCHEDULE

- | | | |
|-----------------------------------|--------------|------------------|
| 1. Each Pollution Incident Limit: | \$1,000,000 | Each Loss |
| 2. Aggregate Limit: | \$1,000,000 | Each Policy Year |
| 3. Deductible: | \$1,000 | Each Loss |
| 4. Premium: | | |
| Base: | \$188.00 | |
| Prior Incidents: | N/A | |
| 5. Retroactive Date: | JULY 6, 2004 | |

Supplemental Extended Reporting Period Coverage may be purchased for 200% of the Total Advance Premium (including any changes thereto). **See Section VI - Extended Reporting Periods.**

Forms and Endorsements:

Total Advance Premium

\$188.00

(This premium may be subject to adjustment)

PESTICIDE AND HERBICIDE APPLICATOR COVERAGE FORM

PLEASE READ THIS ENTIRE FORM CAREFULLY.

COVERAGE IS AFFORDED UNDER THIS COVERAGE FORM ON A CLAIMS-MADE BASIS,
WHEREBY:

* THE CLAIM MUST BE FIRST MADE DURING THE POLICY YEAR, AND

* THE POLLUTION INCIDENT MUST BEGIN ON OR AFTER THE RETROACTIVE DATE.

COVERAGE UNDER THIS FORM IS NOT AFFORDED ON AN OCCURRENCE BASIS.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this coverage part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this coverage part. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **WHO IS AN INSURED (SECTION II)**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **DEFINITIONS (SECTION V)**.

SECTION I — PESTICIDE AND HERBICIDE APPLI- CATOR COVERAGE

1. Insuring Agreement — Bodily Injury And Property Damage Liability.

a. We will pay on your behalf all "losses" that you are legally obligated to pay because of "bodily injury" and "property damage" to which this insurance applies, for claims made against you, individually or collectively. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "pollution incident" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for "losses" is limited as described in **LIMITS OF INSURANCE (SECTION III)**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of "losses."

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by a "pollution incident" from an "insured site" in the "coverage territory";

(2) The "bodily injury" or "property damage" is caused by a "pollution incident" that begins on or after the "Retroactive Date" shown in the Declarations.

(3) The insured's responsibility to pay damages because of "bodily injury" or "property damage" is determined in a "suit" on the merits in the "coverage territory" or in a settlement we agree to; and

(4) A claim for damages because of the "bodily injury" and "property damage" is first made against any insured, in writing, in accordance with Paragraph c. below, during the "policy year" or any Extended Reporting Period we provide under **EXTENDED REPORTING PERIODS (SECTION VI)**.

All loss of use which results from physical injury to, destruction of or contamination of tangible property shall be deemed to occur at the time of the "pollution incident" that caused it.

All loss of use of tangible property that is not physically injured, destroyed or contaminated, but has been evacuated, withdrawn from use or rendered inaccessible because of a "pollution incident" shall be deemed to occur at the time of the "pollution incident" that caused it.

c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

(1) When notice of such claim is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make a settlement in accordance with Paragraph 1.a. above.

All claims for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury," will be deemed to have been made at the time the first of those claims is made against any insured.

All claims for damages because of "property damage" causing loss to the same person or organization as a result of a "pollution incident" will be deemed to have been made at the time the first of those claims is made against any insured.

- d. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments.**

2. Exclusions.

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of any insured.
- b. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- c. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- d. "Bodily injury" to:
- (1) An employee of the insured arising out of and in the course of:
- (a) Employment by the insured; or
- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1.1.) Whether the insured may be liable as an employer or in any other capacity; and

- (2.1.) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- e. "Bodily injury" arising out of any:

- (1) Refusal to employ;
- (2) Termination of employment;
- (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions; or
- (4) Consequential "bodily injury" as a result of (1) through (3) above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

- f. "Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- g. "Property damage" to "your product" arising out of it or any part of it.

- h. "Property damage" to "your work" arising out of it or any part of it and included within the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

- i. "Bodily injury" or "property damage" arising out of any emission, discharge, release or escape directly from any underground or stationary aboveground storage tanks or facilities, or their piping.

- j. "Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

- k. "Bodily injury" or "property damage" arising out of the sale, application, use, transportation or storage of any "pesticides and/or herbicides" unless you or your employees are licensed or certified by a state, federal or local governmental agency to sell or use such materials.
- l. "Bodily injury" or "property damage" arising out of the sale, application, use, transportation or storage of any "pesticide and/or herbicide" that is banned and/or listed as suspect by any federal, state or local government or agency.
- m. "Bodily injury" or "property damage" arising out of a "pollution incident" emanating from an "insured site" or from any part of an "insured site" if that "insured site" is used or was previously used by you or others for the storage, disposal, processing, or treatment of waste materials including any such site that was:
 - (1) Sealed off, closed, abandoned or alienated prior to the "Retroactive Date" shown in the Declarations of this Coverage Part; or
 - (2) Sealed off or closed subject to statute, ordinance or governmental regulation or directive requiring maintenance or monitoring during or after sealing off or closure.
- n. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto," rolling stock or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured; or

- (2) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) The operation of any equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment" (SECTION V.11).

- (3) A watercraft you do not own that is:

- (a) Less than 26 feet long; and
- (b) Not being used to carry persons or property for a charge;

- (4) "Bodily injury" or "property damage" arising out of the operation of any "auto" owned or operated by or rented or loaned to any insured, while being used to transport "pesticides or herbicides" to or from an "insured site."

- o. "Bodily injury" or "property damage" arising out of a "pollution incident" which results from or is directly or indirectly attributable to failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a willful or deliberate act or omission of:

- (1) The insured; or
- (2) You or any of your members, partners or executive officers.

- p. Any "loss," cost, expense or obligation:

- (1) Asserted against you under the statutory authority of a governmental agency; or
- (2) Incurred by you or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize "pollutants" on or at a "waste facility" or any premises you own, rent or occupy.

- q. Any "nuclear energy loss."

3. Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- a. All expenses we incur.
- b. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work.
- c. All costs taxed against the insured in the "suit."
- d. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance.
- f. Expenses incurred by the insured for first aid to others at the time of any accident, for "bodily injury" to which this insurance applies.

These payments will not reduce the limits of insurance.

SECTION II — WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members and your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you. However, no employee is an insured for:

- (1) "Bodily injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or

- (2) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees or any of your partners or members (if you are a partnership or joint venture).

- b. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a "Named Insured" if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a "Named Insured" in the Declarations.

SECTION III — LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
2. The Aggregate Limit is the most we will pay for the sum of all damages because of all "bodily injury" and "property damage" to which this insurance applies.
3. Subject to the Aggregate Limit above, the most we will pay in any one "pollution incident" for the sum of all damages because of all "bodily injury" and "property damage" will be the lesser of:
 - a. The Each Pollution Incident Limit shown in the Declarations; or
 - b. The sum of those damages;in excess of the amount of the "deductible" shown in the "schedule," if any. Such "deductible" shall apply to each and every "loss" and will be uninsured. However, the "deductible" does not reduce your Each Pollution Incident Limit.
4. Any "losses" incurred because of a "pollution incident" or a series of related "pollution incidents" occurring during more than one "policy year" shall be treated as a single "loss." The "loss" will be subject to the limits of insurance in effect at the time of the first claim made as a result of the "pollution incident" or series of "pollution incidents."

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — GENERAL CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of A Pollution Incident, Claim Or Suit.

- a. You must see to it that we are notified promptly of a "pollution incident" which may result in a claim. Notice should include:
 - (1) How, when and where the "pollution incident" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "pollution incident."

Notice of a "pollution incident" is not notice of a claim.

- b. If a claim is made or "suit" is brought against any insured or if an action is initiated, you must see to it that we receive written notice of the claim or "suit" or notice of action within 10 days of its receipt by you.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The "first Named Insured" shown in the Commercial Policy Common Declarations is authorized to act on behalf of the insureds with respect to notice required or permitted by the above conditions.
- f. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours, with particulars sufficient to identify the insured, shall be considered to be notice to us.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a "loss" we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. When this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a claims-made basis, if:
 - (a) No "Retroactive Date" is shown in the Declarations of this insurance; or
 - (b) The other insurance has a policy period which continues after the "Retroactive Date" shown in the Declarations of this insurance; or

- (2) If the "loss" arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **n.**
- (3) If the "loss" arises out of heat, smoke or fumes from a hostile fire. A hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.

When this insurance is excess, we will have no duty under **SECTION I** to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss" if any, that exceeds the sum of:

- (1.1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
- (2.1) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining "loss," if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the "first Named Insured." If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the "first Named Insured."

c. The "first Named Insured" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the "first Named Insured," this insurance applies:

- a. As if each "Named Insured" were the only "Named Insured"; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after "loss" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Coverage Form Issued To Comply With Law Or Regulation.

If this policy is issued to comply with any law or regulation which requires notice of cancellation to any governmental body, cancellation may not be effected until the required notice has been provided by you or us.

10. Conflicting Statutes.

Terms and conditions of this Coverage Part that are in conflict with the statutes of the state in which this Coverage Part is issued are amended to conform to such statutes.

11. Premiums.

The "first Named Insured" shown in the Commercial Policy Common Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

12. Changes.

This Coverage Part contains all the agreements between you and us concerning the insurance afforded. The "first Named Insured" is authorized to make changes in the terms of this Coverage Part with our consent. This Coverage Part's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage Part.

13. Assignment.

Assignment of interest under this Coverage Part shall not bind us unless our consent is first endorsed hereon.

14. Cancellation.

- a. The "first Named Insured" may cancel this Coverage Part by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Coverage Part by mailing or delivering to the "first Named Insured" written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice, including the reason for cancellation, to the "first Named Insured" at the address shown in the Commercial Policy Common Declarations and to the authorized agent or broker.
- d. Notice of cancellation will state the effective date of cancellation. The "policy year" will end on that date.

- e. If this Coverage Part is canceled, we will send the "first Named Insured" any premium refund due. If we cancel, the refund will be pro rata. If the "first Named Insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

15. Transfer of Duties When a Limit of Insurance Is Used Up.

- a. If we conclude that based on pollution incidents, offenses, claims or "suits" which have been reported to us and to which this Insurance may apply, the:

Aggregate Limit or the Each Pollution Incident Limit is likely to be used up in the payment of judgments or settlements, we will notify the "first Named Insured," in writing to that effect.

- b. When a limit of insurance described in Paragraph a. above has actually been used up in the payment of judgments or settlements:

- (1) We will notify the "first Named Insured," in writing, as soon as practicable, that:

- (a) Such a limit has actually been used up; and

- (b) Our duty to defend "suits" seeking damages subject to that limit has also ended.

- (2) We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.

- (3) The "first Named Insured," and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- c. The "first Named Insured" will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph b.(2) above.

The duty of the "first Named Insured" to reimburse us will begin on:

- (1) The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph a. above; or

- (2) The date on which we sent notice in accordance with Paragraph b.(1) above, if we did not send notice in accordance with Paragraph a. above.

- d. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of **Condition 15**.

SECTION V — DEFINITIONS

1. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
4. "Deductible" means the amount you must contribute to each "loss." If more than one claim results from a "loss" or a series of related "losses" committed by one or more insureds, the "deductible" will apply only once. We will then pay covered "losses" over the "deductible" amount, up to the Each Pollution Incident Limit.

The "deductible" does not apply to **Item 3. of SECTION I, Supplementary Payments**. We can pay all or part of the "deductible" to settle a claim. If we do, you agree to repay us as soon as we notify you of the settlement. The "deductible" is shown in **Item 3.** of the "schedule."

5. "Environmental damage" means the injurious presence in or upon land, the atmosphere, or any watercourse or body of water of solid, liquid, gaseous or thermal contaminants, irritants or "pollutants."
6. "First Named Insured" means the first insured designated as a "Named Insured" on the Commercial Policy Common Declarations.
7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. 1. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. 1. Your fulfilling the terms of the contract or agreement.
8. "Insured site" means any site at which you, your employees or subcontractors acting on your behalf are performing or have performed "pesticide and herbicide operations."
9. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, rolling stock, watercraft or "auto";
 - b. While it is in or on an aircraft, rolling stock, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, rolling stock, watercraft or "auto" to the place where it is finally delivered;
 but, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, rolling stock, watercraft or "auto."
10. "Loss" or "losses" means any amount that an insured is legally obligated to pay for a claim made against the insured for "bodily injury" or "property damage."

"Loss" or "losses" includes but is not limited to:

 - a. Damages,
 - b. Judgments,
 - c. Settlements, and
 - d. Awards.

"Loss" or "losses" does not include fines, penalties, punitive or exemplary damages.
11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
 - f. Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles within the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle law are considered "autos".

12. "Named insured" means the "Named Insured" shown on the Commercial Policy Common Declarations.

13. "Nuclear energy loss" means a "loss," including "losses" arising out of any form of the radioactive contamination of property:

- a. With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (2) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization, resulting from the "hazardous properties" of "nuclear material," if:

(a) The "nuclear material:"

- (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
- (ii) has been discharged or dispersed therefrom;

(b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(c) The "loss" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to "loss" to such "nuclear facility" and any property thereat.

As used in this form:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "special nuclear material" or "by-product material;"

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor;"

"Waste" means any waste material:

- 1. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- 2. Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- 1. Any "nuclear reactor;"
- 2. Any equipment or device designed or used for:
 - a. Separating the isotopes of uranium or plutonium;
 - b. Processing or utilizing "spent fuel"; or
 - c. Handling, processing or packaging "waste";

3. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

14. "Pesticide and herbicide operations" means the application, use, transportation or storage of "pesticides and herbicides."

15. "Pesticides and herbicides" or "pesticides or herbicides" means insecticides, herbicides, pesticides, fungicides, nematocides and fertilizers, chlorine or other chemicals or materials used or intended for use in landscaping, lawn, garden, tree and shrub, or swimming pool maintenance operations. This includes dispersal agents and other substances used during the application of "pesticides and herbicides." It also includes "pollutants" generated during the use and application of "pesticides and herbicides" as a result of their interaction with other substances.

16. "Policy Year" means:

- a. The period of one year following the effective date of this Coverage Part as shown in the Pesticide and Herbicide Applicator Coverage Declarations, or
- b. The time between the effective date and the termination of this Coverage Part if more or less than one year.

17. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

18. "Pollution incident" means the emission, discharge, release or escape of "pesticides or herbicides" resulting from "pesticide and herbicide operations," provided that such emission, discharge, release, or escape results in "environmental damage." The entirety of any such emission, discharge, release, or escape shall be deemed to be one "pollution incident."

19. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a. Physical injury to, destruction of or contamination of tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured, destroyed or contaminated but has been evacuated, withdrawn from use or rendered inaccessible because of a "pollution incident."

21. "Retroactive Date" means the specific date shown in the Pesticide and Herbicide Applicator Coverage Declarations. Coverage does not apply to claims from "pollution incidents" that begin prior to this date. This provision does not increase or reinstate the limits of insurance described in **SECTION III — LIMITS OF INSURANCE.**

22. "Schedule" means the "schedule" shown in the Pesticide and Herbicide Applicator Coverage Declarations.

23. "Suit" means a civil proceeding in which damage because of "bodily injury," or "property damage" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

24. "Termination of coverage" means:

- a. Cancellation or nonrenewal of the policy; or
- b. A decrease in limits, reduction in coverage, increased deductible, new exclusion, or any other change less favorable to the insured.

25. "Waste facility" means any site to which waste from the operations of an "insured site" is legally consigned for delivery or delivered for storage, disposal, processing or treatment, provided that such site:

- a. Is licensed by state or federal authority to perform such storage, disposal, processing or treatment; and
- b. Is not and never was owned by, rented or loaned to you.

26. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. 1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. 1. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

27. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. 1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. 1. The providing of or failure to provide warnings or instructions.

SECTION VI — EXTENDED REPORTING PERIODS

1. We will provide a Basic Extended Reporting Period as described in Paragraph 3., or if you purchase it, a Supplemental Extended Reporting Period Endorsement as described in Paragraph 4. in the event of any "termination of coverage."

2. If we provide an Extended Reporting Period, a claim first made during the Extended Reporting Period will be deemed to have been made on the last day of the "policy year," provided that the claim is for "loss" from the "pollution incident" which took place before the end of the "policy year" of this policy (but not before the "Retroactive Date").

Extended Reporting Periods:

- a. Do not extend the "policy year" or change the scope of coverage provided;
- b. Apply only to the coverage terminated or reduced; and
- c. Apply only if no subsequent insurance you purchase applies to the claim, or would apply but for the exhaustion of its applicable limit of insurance.

3. The Basic Extended Reporting Period is provided without additional charge. This period starts with the end of the "policy year" and lasts for ninety (90) days. The Basic Extended Reporting Period may not be canceled.

4. If you purchase the Supplemental Extended Reporting Period Endorsement, the Extended Reporting Period will be of unlimited duration. This period starts ninety (90) days after the end of the "policy year."

5.
 - a. We will notify you in writing within thirty (30) days of the date of "termination of coverage" if we cancel for nonpayment of premium or fraudulent activities of an insured. The notification will inform you of the costs for and provisions of the Extended Reporting Periods.
 - b. You will have until the later of sixty (60) days from the date of "termination of coverage," or thirty (30) days from the date of mailing of the notice described in **5.a.** above, to request the Supplemental Extended Reporting Period. Your request must be submitted to us in writing.
 - c. The Supplemental Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be canceled.
 - d. We will determine the actual premium for the Supplemental Extended Reporting Period Endorsement in accordance with our rules and rates.
 - e. The premium for the Supplemental Extended Reporting Period Endorsement is shown in the Declarations or in any endorsement changing the premium because of any change in the nature or extent of the risk during the "policy year." The premium for the Supplemental Extended Reporting Period will be fully earned when the endorsement takes effect.
6. The Supplemental Extended Reporting Period Endorsement will also amend Paragraph **4.b.** **SECTION IV — GENERAL CONDITIONS** so that the insurance provided will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Supplemental Extended Reporting Period Endorsement takes effect.
7. Extended Reporting Periods do not reinstate or increase the limits of liability applicable to any claim to which this Coverage Part applies, except to the extent described in Paragraph **8.** of this Section.
8. If you purchase the Supplemental Extended Reporting Period Endorsement, we will provide an aggregate limit of liability for the Supplemental Extended Reporting Period equal to the dollar amount of the Aggregate Limit for the final year of the terminated Pesticide and Herbicide Applicator Coverage Part.

Paragraph **2.** of **SECTION III — LIMITS OF INSURANCE** will be amended accordingly. The Each Pollution Incident Limit will then continue to apply, as set forth in Paragraph **3.** of that Section.
9. If this Coverage Part is canceled and you elect to purchase the Supplemental Extended Reporting Period Endorsement:
 - a. Any return premium due you for the cancellation will be credited to the premium due for the Supplemental Extended Reporting Period Endorsement; and
 - b. Any additional premium or "deductible" due us for the period the policy was in force must be fully paid before any payments can be applied to the premium due for the Supplemental Extended Reporting Period Endorsement. You will be notified of the amount due.
10.
 - a. A Supplemental Extended Reporting Period, as described above, will be available to any person who has been an insured under this Coverage Part in the event of any "termination of coverage" if the "Named Insured" has been placed in liquidation or bankruptcy or permanently ceases operations and does not purchase, or have purchased for it by its designated trustee, Extended Reporting Period Coverage.
 - b. A Supplemental Extended Reporting Period as described in this provision will be available only if such person requests the Extended Reporting Period coverage within one hundred twenty (120) days of the "termination of coverage."
 - c. We will have no obligation to provide notice to any such person of the availability of the Extended Reporting Period coverage described in this provision.
 - d. We may charge the person for whom Extended Reporting Period coverage is provided a premium commensurate with the exposure.

PESTICIDE AND HERBICIDE APPLICATOR COVERAGE REFERENCE GUIDE

This section of your policy consists of several pages and provides those Pesticide and Herbicide Applicator coverages you have purchased. Each part is important and we encourage you to **READ YOUR ENTIRE POLICY CAREFULLY!**

To aid you in reading and understanding your Pesticide and Herbicide Applicator coverage we have prepared the **Quick Reference Guide** shown below.

Remember, the Common Declarations and any forms or endorsements listed on the Common Declarations apply to the entire policy. To accurately determine the scope of your Pesticide and Herbicide Applicator coverage you must read the Common Declarations materials in conjunction with the Pesticide and Herbicide Applicator Coverage Form section of your policy.

QUICK REFERENCE GUIDE

Pesticide and Herbicide Applicator Coverage Declarations Page

Provides the actual limit and any specific limitations applicable to the coverage purchased. Information shown includes:

- Coverage Effective Date
- Limit of Liability
- Annual Aggregate Limit
- Deductible
- Premium
- Retroactive Date
- Supplemental Extended Reporting Period
- Forms and Endorsements Applicable

Pesticide and Herbicide Applicator Coverage Form

Defines and explains those types of exposures which are covered. It also contains the policy provisions which apply to Pesticide and Herbicide Applicator Coverage. These include:

- Coverages, Insuring Agreements, Exclusions and Supplemental Payments
- Who Are Insureds
- Limits of Insurance
- General Conditions
- Definitions
- Extended Reporting Periods

Miscellaneous Forms and Endorsements

Modify or further define the coverage provided by all the items mentioned above. Some are used to customize the coverage provided to your individual needs while others may be mandated by your state's regulatory authorities.

EXCLUSION — YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS — WITH EXCEPTION FOR BODILY INJURY ON YOUR PREMISES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

PESTICIDE AND HERBICIDE APPLICATOR COVERAGE FORM

The following exclusion is added to Paragraph 2.,
**Exclusions of Section I — Pesticide And Herbicide
Applicator Coverage:**

2. Exclusions

This insurance does not apply to:

r. "Bodily injury" or "property damage" arising directly or indirectly out of:

(1) Any actual or alleged failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) Computer hardware, including microprocessors;

(ii) Computer application software;

(iii) Computer operating systems and related software;

(iv) Computer networks;

(v) Microprocessors (computer chips) not part of any computer system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 2.r.(1)(a) of this endorsement

due to inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

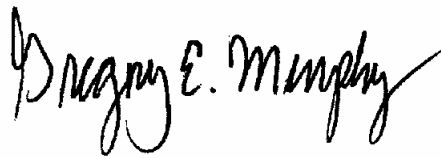
(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 2.r.(1) of this endorsement.

This exclusion does not apply to "bodily injury" occurring on any premises owned by or rented to you.

We will provide the insurance described in this policy in return for the premium
and compliance with all applicable provisions of this policy

A handwritten signature in black ink, appearing to read "Michael H. [unclear]". The signature is stylized with a large, looped initial.

Secretary

A handwritten signature in black ink, appearing to read "Gregory E. Murphy". The signature is written in a cursive style.

Chairman

POLICY SCHEDULE

SELECTIVE INSURANCE
BRANCHVILLE, NEW JERSEY 07890

ISSUE DATE: 06/03/2016

Policy No	Issued To	
S 1612082	LAWN ETC LLC & ADAM C DUFFY D/B/A CORRECTIVE	
Period	Transaction Type	Agent Number
07/06/2016 07/06/2017	RENEWAL	00-07256-00000
Billing Type	Transaction Eff. Date	Number of Installments
DIRECT BILL	07/06/2016	10

BILL ACCOUNT: 402 496 351

PAYMENT WILL BE BILLED AS FOLLOWS:

SCHEDULED BILL DATE	SCHEDULED DUE DATE	PREMIUM AMOUNTS
01. 06/16/2016	07/06/2016	1,403.00
02. 07/16/2016	08/05/2016	664.00
03. 08/16/2016	09/05/2016	664.00
04. 09/16/2016	10/06/2016	664.00
05. 10/16/2016	11/05/2016	664.00
06. 11/16/2016	12/06/2016	664.00
07. 12/16/2016	01/06/2017	664.00
08. 01/16/2017	02/05/2017	664.00
09. 02/16/2017	03/08/2017	664.00
10. 03/16/2017	04/05/2017	668.00
	TOTAL	\$7,383.00

THIS IS NOT A BILL.

A bill will be sent under separate cover.

This is a schedule of payments due based on your
original policy premium.

Changes made to the policy premium after this date
will be reflected on future bills.

An installment fee, which varies by state,
will be added to each installment bill.

POLICIES NOT PAID BY DUE DATE MAY BE SUBJECT TO A LATE FEE OF \$20.00 FOR EACH POLICY.

**IMPORTANT NOTICE ABOUT YOUR PAYMENT PLAN
AND LATE PAYMENTS UNDER YOUR PAYMENT PLAN:**

If you have selected a payment plan option to pay for Your policy or policies with Us, we will send You a bill or email notification when premium is due. Bills will show (1) the billed minimum amount due on Your account for that month, and (2) the total balance due on Your account, including late and installment fees, if any have been charged. On or before the due date We specify in Your bill, You will be required to pay Us the total billed minimum amount shown in order to stay current in your payments due to Us (excluding any policy or policies that are pending cancellation).

Any time a payment is late and You fall behind on the amount that is owed to Us for the policy premium, we will issue a policy cancellation notice for failure to pay the premium, and we may charge you a late fee. For the first two times you fall behind, if You pay the total amount due before the cancellation effective date indicated in the notice, the policy or policies will remain in effect. If, however, We issue a third cancellation notice for nonpayment of premium, We will accelerate the remaining payments due under the payment plan and require You to pay **the full outstanding policy premium (not just the total billed minimum amount in the most recent bill) on or before the cancellation effective date.** If You do not pay the full outstanding balance on or before the cancellation effective date, We will cancel Your policy. If Your policy or policies are cancelled or expired, Your enrollment in an electronic payment option will continue, despite the fact that the policy(s) have been cancelled with Selective and may remain in effect until such time as any payment for any earned premiums, audit balances or other amounts related to your account are settled. If more than one policy is subject to a payment plan, We will apply partial payments proportionately to the billed minimum amount for each policy. Any policy that is not paid in full after this allocation will be subject to cancellation for nonpayment of premium, as provided in the policy.

Selective Insurance
Main Administrative Offices
40 Wantage Avenue Branchville
New Jersey 07890
(973) 948-3000

“Selective Insurance” refers to the following affiliated insurers:

Selective Insurance Company of America, Selective Way Insurance Company, Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, Selective Insurance Company of New York, Selective Insurance Company of New England, Selective Casualty Insurance Company, Selective Fire and Casualty Insurance Company, and Selective Auto Insurance Company of New Jersey. The declarations page of your policy identifies the insurance carrier that issued your “Selective Insurance” policy.